January 2, 1940.

MINUTES OF REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

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The Regular Monthly Meeting of the Board of Directors of United Artists Corporation was held at the offices of the corporation, 729 Seventh Avenue, New York City, at 11:00 a. m. on Tuesday, January 2nd, 1940, pursuant to notice.

There were present:

Mr. Dennis F. O'Brien,
Mr. Charles Schwartz
Mr. Emanuel Silverstone
Mr. Herbert Maass

constituting a quorum of the Board of Directors.

There were also present:

Mr. M. Silverstone,	General Manager
Mr. E. C. Raftery,	Secretary
Mr. H.J.Muller,	Treasurer,
Mr. L. Calvert,	Representing Selznick International Pictures, Inc.
Mr. R. Fairbanks,	The Elton Corporation,
Mr. C. Ericksen,	Walter Wanger Productions, Inc.

Mr. Dennis F. O'Brien acted as Chairman of the Meeting and Mr. Raftery acted as Secretary.

The Secretary reported that the minutes of the last meeting had not been completed but that copies would be distributed within the next few days; that the question of approving the minutes be passed until the next meeting.

1. JAMES ROOSEVELT (Distribution Contract).

The General Manager reported that he had concluded negotiations with James Roosevelt for the distribution of a limited group of high-class feature photoplays. The General Manager mentioned to the directors present that their respective stockholders, namely, Mary Pickford, the late Douglas Fairbanks, Charles Chaplin and Alexander Korda were wholeheartedly for the deal.

Upon motion duly made, seconded and adopted by all present, it was

RESOLVED, that either the General Manager, or any Vice-President of the corporation be and he hereby is authorized to execute on behalf of the corporation a distribution agreement with James Roosevelt in form to be approved by counsel for the corporation.

The General Manager was then instructed to telegraph Mr. Roosevelt that the Directors had approved the deal.

2. JOHN BUTLER (Distribution Request)

The General Manager reported that he had received a distribution request from one John Butler, but upon investigation it was his recommendation that the request be turned down.

3. RE: ENGLISH AND EXPORT CORPORATIONS (Representation)

The General Manager reported that the Estate of Douglas Fairbanks had requested that Mr. Guedalla be elected to the Boards of the English and Export Corporations in the place of the late Douglas Fairbanks; that notice had been sent to Mr. Guedalla who had agreed to accept same.

RESOLVED, unanimously, that the English and Export Companies be requested to elect Mr. Guedalla a director of each.

That Miss Pickford had designated Mr. Spyer to act as her alternate on the English Boards and he agreed to accept same.

The General Manager recommended and it was unanimously agreed that Mr. Guedalla be re-engaged as counsel for the English and Export companies on terms to be arranged by the General Manager, provided Mr. Korda was agreeable to Mr. Guedalla's re-appointment.

4. ODEON HOLDINGS LTD.

(a) The Odeon situation was next brought before the meeting. Cablegrams were read to the meeting showing that Odeon Holdings Ltd had paid its year end indebtedness to the Eagle Star Insurance Ltd.

(b) Various cablegrams were then discussed and it was the consensus of the meeting that Mr. Guedalla should receive definite written instructions as to the attitude of the Delaware company on each of the matters contained in each of the cablegrams.

(c) Messrs. Silverstone, Kelly and Muller were instructed to prepare a long letter setting forth in detail the Director's position of each of the points in controversy and submit a copy of same to each of the Directors and to counsel for the Corporation before dispatching same to Mr. Guedalla. That if any of the Directors had any additional ideas they should submit them as amendments to the proposed letter.

(d) Mr. Guedalla should be further instructed to utilize the services of Mr. Lewis who was formerly with Price, Waterhouse and Company for the purpose of arriving at an intelligent disposition of the matters in dispute as well as to find out definitely the financial set-up of the Odeon Holdings Ltd. That steps of some kind should be taken to prevent over-expansion of Odeon Holdings Ltd. activities.

D.M.
1/2/40

5. RE: CZECHOSLOVAKIA

The General Manager reported that Czechoslovakia was now a part of the Reich which made it practically impossible to operate an exchange in the territory, and that there was nothing left to do but to make the territory a licensed agency territory.

6. HAYS ORGANIZATION

The following Hays Organization bills were approved:

1)	Washington Operating Co. v. United Artists,et al.	$ 73.25
2)	Washington Operating Co. v. United Artists,et al.	197.16

7. WORLD WIDE PROFIT AND LOSS STATEMENT
ESTIMATED PROFIT AND LOSS STATEMENT - Domestic Operation

The Treasurer gave the estimated world-wide profit and loss of the corporation for eleven months and estimated profit and loss for domestic operation. Copies were distributed to all of the Directors.

8. RESTORATION OF CUTS

It was the consensus of all present in view of the showing of the corporation that all cuts made in September and October, 1939, domestic and foreign, including the voluntary cut taken by the General Manager should be eliminated, effective as of January 1, 1940. The General Manager recommended the foregoing as to all employees, but in view of his being an interested party made no recommendation as to himself.

Upon motion duly made, seconded and adopted by all present, it was

RESOLVED, that effective as of January 1, 1940 all cuts given in September and October, 1939 should be restored to executives, domestic and foreign, including the General Manager.

9. DIVIDENDS:

The next question was the declaration of a dividend.

It was moved, seconded and unanimously adopted that a dividend of $25,000 be paid forthwith to each of the stockholders of record. In connection with Mr. Korda's dividend that it be credited against his indebtedness on the purchase of stock so that the total cash outlay at this time would be $100,000.

10. GOLDWYN WITH WARNER BROS.

The announcement in the public press that Goldwyn was contemplating distribution of future pictures through Warner Bros., or their distributing organization was brought before the meeting, and it was referred to counsel of the corporation as well as any other matter pertaining to the Goldwyn litigation.

11. GOLDWYN SUIT IN DELAWARE

The determination of the Goldwyn suit in Delaware by the decision of Judge Nields was brought before the meeting.

12. RE: THEATRES IN HAMILTON, ONTARIO, et al.

It was brought before the meeting that in connection with contracts made for exhibition of United Artists' pictures at the Lyric Theatre, Hamilton, Ontario; Garrick Theatre, Winnipeg, Manitoba; Roxy and Tivoli Theatres, Saskatoon and Orpheum Theatre, Montreal, which were made after September 8, 1938 the company had agreed that certain advertising expenses should be incurred by the distributor in connection with the exhibition of motion pictures in each of said theatres and that this amount should be deducted from the film rental and the net amount paid as film rental before division between distributor and producer.

As to these five theatres, it was

RESOLVED, that the resolution of the Board of Directors of September 8, 1938 covering all contracts taken after September 8, 1938 and up to the present time should be deemed to have incorporated in each of said contracts the same provisions that were included in other contracts in opposition spots to Famous Players Canadian, and that the accountings be made to the producers as if said provisions had been included.

13. "THE LION HAS WINGS":

The Treasurer reported that the corporation had received a Notice of Irrevocable Authority and Letter of Request concerning the proceeds of the picture "THE LION HAS WINGS". Upon approval by counsel the corporation had signed the acknowledgment of said papers.

14. PRODUCT TO BE RELEASED BY CORPORATION:

The General Manager made a report regarding the product about to be released by the corporation.

There being no further business, the meeting duly adjourned.

Edward C. Raftery, Secretary

NOTICE OF REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

PLEASE TAKE NOTICE that the regular monthly meeting of the Board of Directors of UNITED ARTISTS CORPORATION will be held at the offices of the Corporation, 729 Seventh Avenue, New York City, on the 6th day of February, 1940, at 11 o'clock in the forenoon.

Dated: New York, January 30, 1940.

Assistant Secretary

February 6, 1940

MINUTES OF REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

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The Regular Monthly Meeting of the Board of Directors of United Artists Corporation was held at the offices of the corporation No. 729 Seventh Avenue, New York City, at 11:00 A.M. on Tuesday, February 6, 1940, pursuant to notice.

There were present:

Mr. James A. Mulvey
Mr. Charles Schwartz
Mr. Emanuel Silverstone
Mr. Herbert Maass

constituting a quorum.

There were also present:

Miss Mary Pickford
Mr. Maurice Silverstone
Mr. Harry J. Muller
Mr. Edward C. Raftery
Mr. Arthur W. Kelly
Mr. Lowell Calvert, representing Mr. Selznick

Mr. Mulvey acted as Chairman of the meeting, and Mr. Raftery acted as Secretary.

The Secretary reported that copies of the minutes of the meetings of December 19, 1939 and January 2, 1940 had been

distributed to all the directors.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the reading of the minutes of these meetings be dispensed with and that the minutes be approved.

The General Manager reported regarding the Gabriel Pascal agreement, wherein and whereby the corporation was to distribute three so-called GABRIEL PASCAL PHOTOPLAYS, MAJOR BARBARA world-wide except United Kingdom and Australasia, the other two pictures world-wide; that he personally had contacted a majority of the directors, all of whom had approved the arrangements.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the action of the General Manager in concluding an agreement with Gabriel Pascal for the distribution of these three photoplays upon the terms outlined to the directors, be approved. All directors present voted in the affirmative, with the exception of Mr. Mulvey who asked to be recorded as not voting.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that Mr. Buckley's action in extending the Buffalo Exchange lease be ratified.

Mr. Kelly reported that Mr. Max Baker of the Singapore office was the owner of certain shares of the

Amalgamated Theatres and the Cathay Theatre, Singapore.

A request from Samuel Goldwyn, Inc. to return Holland distribution rights on unsold pictures was referred to counsel for report at the next meeting.

The General Manager reported the retention of Mr. Guedalla on special matters in connection with the affairs of the English corporation.

Further information on the Odeon situation was submitted to the meeting by the General Manager, Mr. Kelly and Mr. Muller. Further reports were expected from Mr. Guedalla which will be considered at the next meeting.

There was presented to the meeting a request of Reliance Pictures, Inc. for the return of distribution rights of certain of their photoplays. After discussion, it was

RESOLVED, that as to the distribution rights of the so-called Reliance pictures which under contract now expire on a seven-year basis, should be changed so that these rights will expire on a five-year basis, provided Reliance granted a full release to United Artists Corporation, world-wide on all pictures to be returned; that United Artists Corporation would have the right to play off any unplayed contracts, and that the names of Edward Small and Reliance Pictures, Inc. shall be removed from all prints, advertising, etc., in the event of future distribution. The foregoing shall apply to the following pictures only:

	Expiration Date
I COVER THE WATERFRONT	5/12/40
JOE PALOOKA	2/16/41
TRANSATLANTIC MERRY-GO-ROUND	11/ 2/41
LET 'EM HAVE IT	5/17/42
RED SALUTE	9/13/42
MELODY LINGERS ON	11/ 1/42
THE LAST OF THE MOHICANS	9/ 4/43

It was further understood by the meeting that COUNT OF MONTE CRISTO seven-year date would remain the same.

The General Manager, Mr. Kelly and Mr. Muller made a full report as to the so-called U. S. Embassy agreement with the British Government regarding the export of $17,500,000 industry funds from England to the United States and the agreements arising therefrom.

There was considerable discussion in which Mr. Schwartz took the position that in the preparation of a formula for allocating the dollars to be received by United Artists Corporation out of the $17,500,000, United Artists Corporation should receive credit for its entire commission of 12½% on all British film rental, which commission it has been receiving for many years from its British subsidiary and that only in this manner would it be on a par with the producers in the sharing of the dollars to be received from England.

Mr. Schwartz pointed out that in his opinion this money was absolutely essential for the continued operation of the business of United Artists Corporation.

Mr. Mulvey stated that it was his opinion that the United Artists Corporation should not receive any part

of the allotment of dollars for its commission and that the producers should receive all of the allotment and that the corporation should use its available funds to carry on the operations of the company and then, if necessary, borrow the money.

Finally, it was moved and seconded that the General Manager be authorized to enter into arrangements with each of the producers whereby all dollars received by United Artists Corporation from the division of the $17,500,000 permitted to be exported from England to the United States under the U. S. Embassy agreement, for the period commencing November 1, 1939 and ending on October 31, 1940, be allocated upon a basis where the corporation will receive its pro rata share of commissions on a basis of 10% commission on American made pictures instead of its regular commission of 12½% on all pictures. The dollars are to be divided between the producers pro rata according to the formulas set up by the Treasurer and Mr. Kelly.

Messrs. Schwartz, E. Silverstone and Maass voted in the affirmative, and Mr. Mulvey voted in the negative.

Mr. Mulvey advised the meeting that the Goldwyn Organization, through the Hays Organization, had approved the British Treasury Regulations without qualifications.

The following Hays Organization bills were approved:

Bair v. Metro (Indianapolis)	$196.87
Flite v. Paramount (Boston Anti-Trust suits)	138.11
Lenrose Amusement Corp. v. M.P.P.D.A. INC.	157.50
Mobeel Enterprises, Inc. et al v. Century Circuit, Inc. et al (Brooklyn)	26.25
LeCrosse v. Paramount, et al	83.69
U. S. v. Schine, et al	470.53
Gittone v. Warner Bros. et al	120.36
Byers v. Murphy, et al	39.81
Joy Amusement Co. Inc. v. Interstate Circuit, Inc. et al (Houston)	163.90
Mr. Raftery (disbursements)	52.50
Momand v. Twentieth Century-Fox, et al) Momand v. Griffith, et al) Oklahoma Theatres, Inc. v. Twentieth) Century-Fox et al	262.50
Boston Anti-Trust Suits	106.51
Gittone v. Warners, et al	124.82

1. Mr. Muller reported that on October 23, 1939 the Board of Directors granted to Mr. Kelly authority to dispose of our share of 600,000 Lire at the rate of 225 Lire to the Pound or better. Since that time a deposit has been made by Artisti Associati of Lire 2,554,862. As no statements have been received from Artisti Associati since October 1938, it is impossible to determine the credit balance of each producer. However, we have sent a circular letter to all producers requesting authority to sell their respective pro rata shares of the sums on deposit in Italy at the rate of 1.8¢ per Lire or better. Authority was given to sell at this price the shares of Delaware and Export.

2. Mr. Muller reported that we received minutes of the meeting held October 23, 1939 of Directors' Proxies of United Artists (Australasia) Pty. Ltd.

3. Mr. Muller reported that London Film Productions, Ltd. has now paid its Studio Account in full.

4. Mr. Muller reported on additional 5% Income Tax on Producers' Share for 1934 to 1938 inclusive -- The details of the additional 5% tax on producers' share have arrived from Argentine. They indicate that the additional tax amounts to 78,171.32 Pesos instead of 89,000 Pesos originally estimated. Acting under the instructions of our local attorneys, our Argentine subsidiary is depositing, beginning November 30, 1939, with the Tax Department under protest, monthly payments of 5% of the additional tax. We are proceeding with the withholding against the individual producers.

Mr. Raftery reported that counsel for the producers of EMPEROR JONES had refused to execute a general release as a condition in getting back distribution rights. It was the sense of the meeting that these rights be not returned unless the release was signed.

Mr. Maass proposed to the meeting that the efficiency experts he had recommended be engaged to make the survey with the view of reducing the expenses of the corporation. A committee consisting of Messrs. Buckley, Muller, Thompson, Mulvey and Emanuel Silverstone were appointed to confer with Mr. Godley of the efficiency expert firm for the purpose of reporting at the next meeting.

There being no further business, the meeting duly adjourned.

Edward C. Raftery,
Secretary

March 15, 1940

PLEASE TAKE NOTICE that due to lack of a quorum the regular monthly meeting of the Board of Directors of UNITED ARTISTS CORPORATION, originally scheduled for Tuesday, March 5, 1940, and adjourned to Tuesday, March 19th, 1940 at 2.30 P.M. at the office of the Corporation, 729 Seventh Avenue, New York City, will be adjourned to March 26th, 1940, same time and place.

UNITED ARTISTS CORPORATION

By Edward L. Raftery
Secretary

March 28, 1940

PLEASE TAKE NOTICE that due to lack of a quorum the regular monthly meeting of the Board of Directors of UNITED ARTISTS CORPORATION, originally scheduled for Tuesday March 5th, 1940 and adjourned to Tuesday, March 19th, 1940 and adjourned to March 26th, 1940 at 2.30 P.M. at the office of the corporation, 729 Seventh Avenue, New York City, will be adjourned to April 2, 1940 at 11 o'clock in the forenoon at the office of the corporation.

UNITED ARTISTS CORPORATION

By _____
Assistant Secretary

April 2, 1940

MINUTES OF THE REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

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The Regular Monthly Meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation No. 729 Seventh Avenue, New York City, at 11:00 o'clock A. M. on Tuesday, April 2, 1940, pursuant to notice.

There were present:

Mr. Dennis F. O'Brien
Mr. James A. Mulvey
Mr. Charles Schwartz
Mr. Herbert Maass

constituting a quorum.

There were also present:

Mr. Maurice Silverstone
Mr. Harry J. Muller
Mr. Edward C. Raftery
Mr. Lowell Calvert, representing
Mr. Selznick

Mr. O'Brien acted as Chairman of the meeting and Mr. Raftery acted as Secretary.

The Secretary reported that copies of the minutes of the meeting of February 6, 1940 had been distributed to all the directors and that he had received a long communication from Mr. Mulvey regarding the contents thereof.

It was moved, seconded and unanimously adopted that the approval of these minutes be tabled until the next meeting and that copies of Mr. Mulvey's communication be distributed to each of the directors.

The General Manager reported and recommended that the following requests for distribution be turned down:

1. John Boyce Smith for picture to be based on novel, "THEY STILL FALL IN LOVE."
2. Robert Sherwood for picture based on story called "HERITAGE."
3. Max M. Kravetz for picture based on radio feature "FIRST NIGHTER."
4. Nathaniel Tanchuk for series of pictures.
5. David Diamond for picture to be jointly produced by United Artists Corporation with him called "THE MAN WHO DISCOVERED AMERICA", based on Christopher Columbus.
6. Gontard-Ilfeld Productions for series of Shorts.
7. Classical Cinema Co. for picture based on "HAMLET."
8. Cinema Investment Co. for series of pictures.

He also stated he had received a request from Boris Morros for a picture to be based on the life of "O'HENRY" and a picture called "SECOND CHORUS." He recommended this be tabled for further investigation.

He also reported that Mr. Sol Lesser had requested release of the picture to be produced by William D. Shapiro entitled "SILVER SKATES", in Technicolor. He recommended this be turned down.

The General Manager's recommendation was accepted in each of these instances by the Board.

There was a request from Reliance Pictures, through Mr. Milstein, for the return of the 16 mm. rights on "COUNT OF MONTE CRISTO." It was moved, seconded and unanimously adopted that this request be granted.

Mr. Sol Lesser requested an amendment to his distribution agreement, to wit, that it be modified so that the number of pictures to be delivered, i.e., minimum and maximum annually, should be exclusive of the pictures to be produced by Ernst Lubitsch. Upon motion made, seconded and carried, this request was granted.

The second request of Mr. Lesser, that in regard to the next picture to be personally produced by him, he be not required to either submit the story, principal player or director, as provided in the contract, was tabled for further consideration.

The General Manager then read the extension of agreement of employment between Walter Wanger and Walter Wanger Productions, Inc., under the terms of which Mr. Wanger's employment was extended as per the option in the present contract and the amendments to the contract.

The General Manager reported that he had been advised by Selznick International Pictures that they do not require the loan of $150,000 upon the delivery of the photoplay "REBECCA."

It was moved, seconded and carried, (Mr. Mulvey not voting) that the distribution contract with Walter Wanger Productions, Inc. be amended so as to enable them to deliver thereunder a picture to be produced by John Ford for Argosy Corporation and

a picture to be jointly produced for Argosy Corporation by Walter Wanger and Merriam C. Cooper, both pictures to be financed by the Wanger Company and, in reality, to be produced by the Wanger Company for delivery, through the Wanger Company's contract, to United Artists for distribution.

The General Manager reported that a contract has been signed for British Quota Picture entitled "PEACE IN OUR TIME" for distribution in the British Isles, with an option for other territories, the picture to be made in England at the sole expense of the producer.

A report was then made that the distribution agreement with Gabriel Pascal had been signed.

The General Manager then advised that the James Roosevelt distribution contract had been signed with a proviso that if Mr. Roosevelt delivers but one picture during the first year of the agreement, it shall not be considered a breach of the contract.

The General Manager then presented his expense account for his trip to California, and it was moved, seconded and carried that the Chairman of the meeting sign approval of the same.

Upon recommendation of the General Manager and the Treasurer, it was moved, seconded and carried that the corporation open a bank account with the Security-First National Bank in Los Angeles, with a deposit of $100,000 or such lesser amount as the General Manager and Treasurer may determine.

A detailed report of the moneys received from abroad since January 1, 1940 was then read to the meeting.

Upon motion made, seconded and carried, it was RESOLVED that there be paid to General Counsel for extra services rendered in the Government litigation for the calendar year 1939 the sum of $10,000, being the same amount as was paid for the year 1938.

The General Manager then stated that he had been requested by the officers of Selznick International Pictures to consider making a change in the distribution set-up between Selznick International Pictures and United Artists Corporation; that that company might decide to liquidate and they wished to assign their right in the distribution contract with United Artists to David Selznick personally, or a new corporation to be formed.

It was moved, seconded and carried (Mr. Mulvey not voting) that the General Manager and Counsel work out the necessary details with Selznick International provided there was no change in the obligations of David O. Selznick personally, and provided the corporation could be assured of a minimum of two pictures produced by Mr. Selznick in the manner described in the present contracts.

The next business was the consideration of amendments to the Articles of Association of United Artists Corporation Limited. At the request of counsel, this was tabled for the next meeting.

The Odeon situation was next considered, and it was the opinion of the meeting that after the directors had an opportunity to examine the Arthur W. Kelly report, an adjourned meeting be held for the purpose of considering the Odeon situation; and

it was the consensus of the meeting that this meeting be ad - journed to April 17, 1940 at 2:30 o'clock P.M. for this purpose.

General Counsel informed the meeting that Slaughter & May had been informed that Mr. Guedalla would represent United Artists Corporation in all Odeon matters.

General Manager then read a letter which was sent to Mr. Goldwyn on March 10, 1940, together with a copy of Mr. Goldwyn's reply dated March 25, 1940. He then urged Mr. Mulvey to again take the question of Mr. Goldwyn's future releases up with Mr. Goldwyn.

Mr. Raftery reported on the state of the Goldwyn litigation.

It was pointed out to the meeting that there should have been attached to the minutes of the Board meeting of February 6, 1940 a letter from Samuel Goldwyn, Inc., dated January 30, 1940, regarding "THE WESTERNER", together with the corporation's reply of February 1, 1940. It was directed that these letters be attached to these minutes.

The English allocations under the Embassy Agreement were then discussed, and a report was made regarding the proposed distributions of the additional moneys brought over from England under the agreement.

A general report was given regarding present restricted currency situation.

The General Manager then reported that Miss Mary Pickford, in order to assist and aid producers wishing to use the facilities of United Artists Corporation for distribution, was interesting a group of her friends and business associates in the

formation of a finance company which would have second money available so as to guarantee completion of the pictures for producers who wish to use the facilities of United Artists for distribution.

It was the sense of the directors (Mr. Mulvey voting "no") that the corporation was sympathetic with Miss Pickford's plan and would cooperate with her in her endeavors.

The estimated worldwide profit and loss ending February 3, 1940 was presented to the meeting as well as the bank statement of April 1, 1940.

Mr. Haass then moved that S. D. Leidesdorf & Co., or any other firm of efficiency engineers, be retained at a retainer of $15,000 to make a survey of the operations of United Artists Corporation with a view of effecting economies. There being no second, the motion was tabled.

Mr. Muller stated that at the request of the London subsidiary, the individual directors have been canvassed by him and received the unanimous approval to a recommendation to borrow up to £35,000, provided there is no violation of the British Treasury regulations. That the company has since been advised that the Bank of America had agreed to an overdraft in this amount and had a written decision from the Bank of England that there is no objection under the Defence Finance regulations. This action was unanimously approved by the Board.

Mr. Muller then stated that at the suggestion of certain producers' representatives, a meeting of producers' representatives was called to discuss the advisability of selling forward

foreign exchange in continental countries where the currency is free, with producer undertaking to guarantee a certain block predicated upon estimates to be made. The commitment would be in the name of United Artists Corporation but a written guarantee would be secured from each producer subject to the approval of their assignees; that the individual approval of all of the directors, with the proviso that the estimates be conservative and the form of guarantee be approved by counsel, was obtained. The Board unanimously approved.

Mr. Muller reported that the Greek Fiscal Authorities served on Export through Astoria Film in Athens notices of assessment of income tax and license tax on our share of recenue arising from the distribution of our pictures by our former licensed agents, Cine Alliance Hellenique, during the period from October 1, 1934 to September 30, 1937. The claim for income tax amounts to Dr. 106,690.00 based upon an arbitrary figure of 13% of our total share. The claim for license tax amounts to Dr. 162,500.00, which is apparently based upon a flat figure of Dr. 27,500 per annum for the five year period from April 1, 1934 to March 31, 1939 plus fines for non-payment. Through a lawyer in Athens, recommended by the American Legation, we made arrangements to appeal these claims. The court decided both cases against us and upon advice of counsel we are appealing against these decisions, but, in order to obtain a postponement of the execution of the judgments pending the further hearing, it was necessary to make the following deposits with the court:

In respect of claims for Income Tax Dr. 19,150
In respect of claims for License Tax Dr. 43,127

These sums were paid out of our blocked balance with the American Express Company in Athens.

The matter was referred to counsel.

Mr. Muller stated that on February 20, 1940 upon the individual approval of four directors, the United Artists increased the balance of the Roach loan from $13,887.63 to $75,000, said advance to be recovered from all Roach pictures at the average rate of $7,500 per week. It was unanimously approved.

Mr. Muller reported that we had received minutes of meetings held January 11, 1940 of United Artists Corporation, Limited and United Artists (Export) Ltd.

Mr. Muller requested approval of the following payments made to the Hays' Organization:

Budget Special Legal Account for six months, period commencing January 1, 1940	$ 393.75
E. M. Loew cases - Boston 1940	7.47
Pollard v. Main and N.H. Theatres, et al (Boston)	134.17
Boston Anti-Trust suits	83.05
Buchanan v. Muscle Shoals, et al	132.78
Pollard v. Maine & N.H.) Gorham v. Kurson) Millinocket v. Kurson) Millett v. Kurson)	99.44
Washington Taxes, Retainer 1940 Tax Matters	31.25
Byers v. Murphy	16.21
Washington Operating v. Paramount	405.15
Peerless v. Crescent Amusement Co.	108.16
Smith v. Metro, et al (Rockmart, Ga.)	186.88
Peck v. Paramount, et al Nos.2138 & 2144) (Atlanta)) Odom v. Paramount, et al (Atlanta))	131.25

Approval was unanimously given.

There being no further business before the meeting, the meeting was adjourned to April 17, 1940 at 2:30 o'clock in the afternoon.

Edward C. Raftery,
Secretary

The Adjourned Monthly Meeting of the Board of Directors of United Artists Corporation reconvened on April 17, 1940 at 2:30 o'clock in the afternoon. Due to lack of quorum, the meeting was adjourned to April 24, 1940 at 2 P.M.

There were present:

Mr. Dennis F. O'Brien
Mr. James A. Mulvey
Mr. Emanuel Silverstone
Mr. Herbert Maass

constituting a quorum.

There were also present:

Miss Mary Pickford
Mr. David O. Selznick
Mr. Lowell Calvert
Mr. Maurice Silverstone
Mr. H. M. Bardt
Mr. Clarence Ericksen
Mr. Arthur W. Kelly
Mr. Harry J. Muller
Mr. Edward C. Raftery

Mr. O'Brien continued as Chairman of the meeting and Mr. Raftery acted as Secretary.

The first matter to come before the meeting was the question of Mr. Korda's arrangement with the Bankers Trust Company.

Mr. M. Silverstone explained to the meeting that Mr. Korda was desirous of making an agreement with the Bankers Trust Company whereby they would loan to him £110,000 provided United Artists Corporation will guarantee the repayment of £40,000.

Mr. Silverstone reported to the meeting the figures on the Korda residuals. He also stated that the collateral Mr. Korda was giving on the above loan was the producer's receipts in England on the "THIEF OF BAGDAD" and the additional collateral of producer's receipts on "FOUR FEATHERS" and "LION HAS WINGS" throughout the world, except England.

On motion duly made and adopted (Mr. Mulvey not voting) it was

RESOLVED, that provided Mr. Korda will put up as collateral with United Artists Corporation his interest in the stock of United Artists Corporation, and provided the agreements with the bank are satisfactory to counsel, and provided further that they do not violate any of the English Treasury regulations, that any Vice-President of the company be authorized to execute the guaranty-agreement referred to above, and provided further that the outside liability of the company is limited to the £40,000 referred to above.

Mr. Silverstone further stated that Mr. Korda is making arrangements for the loan of sufficient monies to enable him to produce four pictures, and as collateral for such loan he is pledging the following:

1. Producer's net share of receipts, worldwide, on the four pictures.

2. Producer's net share of receipts of "THIEF OF BAGDAD" except from England.

3. Second lien on remainder of Producer's net share on "FOUR FEATHERS" and "LION HAS WINGS," except England.

4. Second lien on Producer's net share of receipts on "THIEF OF BAGDAD" England after the payment in full of the loan hereinbefore set forth.

Mr. Silverstone pointed out that United Artists Corporation will only be a party to the above agreement to the extent of the usual Distributor's Acceptance.

On motion duly made, seconded and unanimously adopted, it was

RESOLVED, that a Vice-President be authorized to execute a new lease for the Indianapolis Exchange for a period of five years with the right of cancellation at the end of three and one-half years at $210.00 per month.

On motion duly made, seconded and unanimously adopted, it was

RESOLED, that a Vice-President be authorized to execute a new lease for the Cincinnati Exchange for a period of two years at $315.00 per month.

On motion duly made, seconded and unanimously adopted, it was

RESOLVED, that a Vice-President be authorized to execute a new lease for the San Francisco Exchange for a period of ten years at $300.00 a month.

The following payments to the Hays Organization were unanimously approved:

Westway v. Fox	)	
Linden v. Vitagraph (Baltimore)	)	
Fried v. Warner	)	$2,465.90

The following arrangement was unanimously approved: The corporation received from Loew's, Inc. a check for $100,000 as an advance on account of film rentals for the exhibitions in Loew's theatres of the Wanger pictures, "HOUSE ACROSS THE BAY" and "SLIGHTLY HONORABLE." After a canvass and approval

of the three directors who were in New York, the corporation paid to the assignee of Walter Wanger Productions, Inc. on April 19, 1940 the sum of $69,222.73 representing 75% of the Loew advance less the producer's share of billings previously paid to the Wanger assignee. In a letter to Walter Wanger Productions, Inc., the corporation advised that the advance is made with the understanding that the producer's share of Loew billings on "HOUSE ACROSS THE BAY" and "SLIGHTLY HONORABLE" will be applied against this advance as these billings are made, and in the event such sums do not equal the advance within a reasonable time the balance shall be recouped from any and all Wanger pictures.

The following recommendations from the General Manager refusing distribution were approved:

(a) D. LURETTA COOPER Re CARTOON
(b) BUDD ROGERS, as agent, Re GEORGE O'BRIEN SERIES
(c) GEORGE CALLAGHAN Re SHORT SUBJECTS
(d) HAROLD B. FRANKLIN Re PICTURES
(e) CHAS. BOYER PICTURE, DIRECTED BY ANATOL LITVAK

On motion duly made, seconded and unanimously adopted, it was

RESOLVED, that all Reliance pictureagreements be modified so as to provide that the 16 mm rights shall be returned to the producer at the end of three years from the first general release of the picture.

The following requests were tabled:

The request from James Roosevelt for the right to make a picture for slot machine use.

The request from David O. Selznick for the return of his unreleased product for Germany.

1. It was the sense of the meeting that Mr. Korda be notified that the company would advance the cost of the Technicolor prints for the picture "THIEF OF BAGDAD", (the money of course to be deducted from the producer's share of first collections).

2. The next business before the meeting was the discussion of the Odeon situation. Mr. Kelly made a very detailed report of the travel of the negotiations between Mr. Guedalla and Mr. Deutsch and the officers of the company's British subsidiary.

Following this discussion, it was moved, seconded and unanimously adopted,

That Arthur W. Kelly go to London at the earliest possible date to enter into the Odeon situation; that he be empowered to settle the question of the Deutsch group's prior investment at a figure not to exceed £200,000 in preference shares of the Holding Company, provided the Deutsch group would agree to set up a voting arrangement under the terms of which the control of the company was removed from the Deutsch group's hands; and provided further that Mr. Kelly, as to all other matters, should make a full and complete survey and report back to the directors at the earliest possible date, by cable or letter, so that the directors of this company could further instruct him in this situation; and it was further

RESOLVED, unanimously, that the company take out "term" insurance on Mr. Kelly's life, in an amount not to exceed $100,000 face value, for such beneficiaries as Mr. Kelly may designate; and it was further

RESOLVED, unanimously, that Mr. Kelly be empowered to settle and dispose of the Archibald compensation question at an amount not to exceed the market value of the 4,000 preference shares of the Odeon (Public) Company.

3. There then followed a long discussion of the policy of distribution, production, producers and general business of the company, and at 6:40 P. M. a motion was made to adjourn, which was unanimously carried.

Edward C. Raftery,
Secretary

May 27th, 1940.

MINUTES OF THE REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

The Regular Monthly Meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, No. 729 Seventh Avenue, New York City, at 2:30 p. m. in the afternoon on May 27th, 1940, pursuant to notice.

There were present:

Mr. Dennis F. O'Brien,
Mr. James A. Mulvey,
Mr. Emanuel Silverstone,
Mr. Herbert Maass
Mr. Charles Schwartz

constituting a quorum.

There were also present:

Miss Mary Pickford,
Mr. Maurice Silverstone,
Mr. Arthur W. Kelly,
Mr. Harry J. Muller,
Mr. Lowell Calvert, representing Selznick,
Mr. Paul D. O'Brien.

Mr. O'Brien acted as Chairman of the meeting and Mr. Paul D. O'Brien acted as secretary.

1. REQUESTS FOR DISTRIBUTION:

Mr. M. Silverstone presented to the meeting the following requests for distribution which after due consideration were refused:

(a) Sam Howard re: Feature Subjects
(b) Paul Kohner re: Short "
(c) M. Dale re: Feature "
(d) Maxson F. Judell re: Feature "

2. JAMES ROOSEVELT- 16 MM Rights

Mr. M. Silverstone reported that James Roosevelt had withdrawn his request for the right to produce 16 MM pictures and further reported that Mr. Roosevelt had stated he would not have any connection with the production of motion pictures other than for United Artists Corporation, although he did have a stock interest in a Slot Machine Motion Picture Company.

3. WORLD WINDOW SHORT SUBJECTS

Mr. M. Silverstone reported that the producer of the World Window short subjects had requested that United Artists Corporation give back the distribution rights in the United States and Canada only other than the first eight short subjects.

On motion duly made and seconded the request of World Window, Inc. was granted, and the officers authorized to execute documents prepared for this purpose by counsel provided said documents contained a general release running from World Window, Inc. to United Artists Corporation.

4. ALEXANDER KORDA

(a) Mr. Korda requested a loan of £15,000 to be recouped by the United Artists Corporation from the residuals of "FOUR FEATHERS" and "LION HAS WINGS".

This request was refused because the estimates of the value of the residuals indicated would not reach £15,000. Mr. Emanuel Silverstone did not vote on this

question.

(b) Mr. Korda requested that the credit the French Company had in France for him of some Fcs 800,000 arising out of the distribution of the picture "LION HAS WINGS" be made available to him for the purchase of a story entitled "ONCE AGAIN" by Marcel Achard, said story to be substituted as collateral.

It was duly moved and seconded that this request be tabled until such time as the Korda financing question was decided.

(c) Re: Bankers Trust Co. financial arrangements:

After some discussion the further consideration of this matter was adjourned to Tuesday, May 28th, 1940 at 12 o'clock noon.

5. LOEW CO. ACCOUNT

Mr. M. Silverstone reported that for years there had existed a dispute between Loew and United Artists Corporation concerning certain unpaid outstanding balances, aggregating $69,000 on the pictures

MODERN TIMES,
KNIGHT WITHOUT ARMOR
REMBRANDT

The Producers had been paid in the past their shares of these outstandings. Mr. Silverstone explained that he settled this matter with Loew on a 50% basis and made collection from Loew accordingly.

After discussion it was duly moved and seconded that the action of Mr. Silverstone be approved, that the amount uncollected from Loew be written off, but that efforts should be made to induce the producers concerned to repay the uncollected portion of the monies paid to them on these transactions. Mr. Emanuel Silverstone did not vote on this question.

6. WM. HART JUDGMENT

It was duly moved and seconded that the Hart judgment be paid out of cash. Mr. James Mulvey did not vote.

The meeting was adjourned until Tuesday, May 28th, at 12 o'clock noon at the offices of the corporation.

Paul D. O'Brien, Secretary of Meeting.

The Adjourned Monthly Meeting of the Board of Directors of United Artists Corporation reconvened on May 28th, 1940, at 12 o'clock noon at the offices of the corporation.

There were present:

Mr. Dennis F. O'Brien,
Mr. James A. Mulvey,
Mr. Emanuel Silverstone,
Mr. Herbert Maass,
Mr. Charles Schwartz

constituting a quorum.

There were also present:

Miss Mary Pickford,
Mr. Maurice Silverstone,
Mr. Arthur W. Kelly,
Mr. Harry J. Muller,
Mr. Lowell Calvert, representing Selznick
Mr. Paul D. O'Brien

Mr. O'Brien acted as Chairman of the meeting and Mr. Paul D. O'Brien acted as secretary.

1. ALEXANDER KORDA- Bankers Trust Co.

Mr. M. Silverstone again presented to the meeting the matter of the Korda negotiations with the Bankers Trust Company.

It was the concensus of the meeting that further consideration of this matter be deferred until instructions had been received from Slaughter & May of England concerning the legal aspects of the matter and counsel were instructed to cable Slaughter & May for their opinion.

It was also the concensus of the meeting that it must be clearly understood that the Producers' Fund is part

of the collateral assigned to Bankers Trust Company and that the United Artists Corporation is protected in its $40,000 guarantee by an assignment on "THIEF OF BAGDAD" and the four subsequent pictures, subject only to the assignment of the Bankers Trust Company-Security First National Bank of Los Angeles and any assignment which might be made to the General Service Studio Corporation.

2. SELZNICK "CONTRABAND"

Mr. M. Silverstone presented to the meeting a letter he had received requesting distribution of an English picture entitled "CONTRABAND". It was reported that the picture "CONTRABAND" be accepted for distribution on the regular distribution terms upon the following conditions:

1) That a quota credit result to United Artists;
2) That the advertising provisions be revised, such revisions to be left to the General Manager;
3) That there be no cost of prints in the United States borne by United Artists;
4) That it does not count as delivery of a picture by Mr. Selznick under his distribution contract;
5) That counsel give an opinion that the acceptance of the picture for distribution would not be a violation of any outstanding distribution contract.

Mr. Emanuel Silverstone voted against the acceptance of the picture for distribution upon the grounds that it would constitute a violation of Mr. Korda's distribution contract. Mr. Mulvey stated that although he was in favor of the acceptance of the picture he did not vote upon it because Samuel Goldwyn, Inc. has an interest in the matter.

The meeting was thereupon adjourned until the date

of the regular monthly meeting to be held on Tuesday, June 4th, 1940 at 2:30 p. m. at the offices of the corporation.

Paul D. O'Brien, Secretary of Meeting.

June 4, 1940.

MINUTES OF THE REGULAR MONTHLY AND RECONVENED MEETING OF THE BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

The Regular Monthly and Reconvened Meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, No. 729 Seventh Avenue, New York City at 2:30 p. m. in the afternoon on June 4th, 1940.

There were present:

Mr. Dennis F. O'Brien
Mr. James A. Mulvey
Mr. Emanuel Silverstone
Mr. Herbert Maass
Mr. Charles Schwartz

constituting a quorum.

There were also present:

Mr. Maurice Silverstone
Mr. Arthur W. Kelly
Mr. Harry J. Muller,
Mr. Paul D. O'Brien

Mr. O'Brien acted as Chairman of the meeting and Mr. Paul D. O'Brien acted as secretary.

1. UNITED ARTISTS CORPORATION LTD- Articles of Association

Mr. M. Silverstone reported that Messrs. Slaughter & May had prepared and presented the Articles of Association which were to be amended, and especially called attention to a provision to limit the borrowing power of the corporation so that no money could be borrowed, or none of the assets of the corporation could be sold without an affirmative vote of the stockholders.

It was the concensus of the meeting that this plan be adopted and that this restriction be imposed upon the subsidiary, and the mechanics were left to the General Manager who together with counsel were to transmit this Board's approval to Slaughter & May, the English Solicitors, who would be instructed to so form the plan of procedure to be followed thereunder so that this restriction could be carried out, and yet that the subsidiary corporation could function normally.

Mr. Silverstone pointed out that all of the shares of stock of the subsidiary corporation were in the name of M. Silverstone and A. E. Jones, the latter being a Price, Waterhouse and Company partner, except for seven shares which are in the names of other nominees. The stock certificates, together with corresponding transfer deeds executed in blank are deposited in our vault at Irving Trust Company. It was suggested that the possibility be pointed out to Slaughter and May of having Price, Waterhouse and Company act as the representative of United Artists' holdings, but to act solely upon the receipt of specific instructions from the United Artists Corporation of Delaware concerning each action to be taken.

2. UNITED ARTISTS (EXPORT) LTD. Minutes of March 7th meeting.

Mr. M. Silverstone reported that the meeting of the Directors had been held in England on March 7, 1940, and that it had been decreed that the moneys transferred from the Export Company to United Artists did not fall within United Artists' allotment under the Embassy agreement.

3. ODEON

Mr. Arthur W. Kelly reported upon the present

situation.

4. JAMES ROOSEVELT re: Distribution contract

(a) Mr. M. Silverstone reported that Mr. Roosevelt had requested an amendment to the first paragraph of Clause "TENTH" concerning rebates, allowances, deductions and cancellations. It was suggested that this paragraph might be modified so that no rebates, allowances, deductions or cancellations should be made to an exhibitor in those territories for which he had a representative appointed to act under subsection (u) of Clause "TENTH" without the approval of the representative first had and obtained.

It was the sense of the meeting that this was an administrative matter and that it be referred for solution to the General Manager and General Counsel.

(b) Clause "TWENTY-THIRD":

Mr. M. Silverstone also reported that Mr. Roosevelt sought the right to assign the contract under Clause "TWENTY-THIRD" in accordance with that Clause. This request was referred to counsel.

5. WALTER WANGER PRODUCTIONS- Accelerate payment

Mr. M. Silverstone reported to the meeting a request received from the Wanger Corporation to accelerate the payment by United Artists to it of the producer's share. This request was tabled until the next meeting.

6. HAYS- LEGAL COMMITTEE

Contributions to the following fees and disburse-

ments were approved:

1) George S. Wright, Fees & Disbursements re: McLendon v. 20th Century Fox (Dallas). .. $239.01
2) Nutter,McClennen & Fish, Disbursements re: Boston Anti-trust suits. 73.64
3) Folley v. Randforce,et al- Fee & Expenses. . . 79.12
4) Littlejohn v. Huish,et al- " " 45.13
5) Westway v. T. C.Fox,et al " " 87.93
6) Gittone v. United, et al. Vineland, N. J. Ratification of contribution to settlement of case was approved in the sum of. 437.50

7. GREATER NEW YORK FUND

It was moved, seconded and unanimously

RESOLVED, that the sum of $1250.00 be contributed to the Greater New York Fund.

8. ST. LOUIS EXCHANGE- New Lease

A proposal for a new lease for the St. Louis Exchange was tabled until the next meeting.

9. SOL LESSER- Mae West

Mr. M. Silverstone presented an inquiry from Sol Lesser whether United Artists Corporation would be enthusiastic for a picture with Mae West.

The Board unanimously agreed with the General Manager that the corporation would not be interested in a Mae West picture.

10. LATIN AMERICA -(Geza P. Polaty)Contract

The contract for four pictures to be produced in Cuba or in Argentina for a minimum of $30,000 apiece and to be distributed in the country of origin at 20% until the Producer received back his production cost of $30,000, and then 60-40%, and in other countries of South America at the regular stockholder-producer terms was approved.

11. CONNE- "FAMILY OF NATIONS".

The contract for the Canadian rights for a picture entitled "FAMILY OF NATIONS" was approved.

12. MURRAY SILVERSTONE-EXPENSE ACCOUNT

The expense accounts of Mr.M. Silverstone, one for his trip to Los Angeles, California and one to Chicago for the Convention were approved.

13. REPORTS TO DIRECTORS

Mr. M. Silverstone stated that in view of present economic conditions he deemed it advisable that directors receive:

a) Weekly Operating Reports
b) Foreign Cable Reports
c) Estimated Profit and Loss Statements

It was moved and seconded, and unanimously

RESOLVED that these statements be given to each director, but that the directors should return the printed statements at the next meeting.

14. INVESTMENT IN WALTER WANGER PRODUCTION, INCORPORATED

The question of setting up a reserve against the investment in Walter Wanger Productions, Inc. was left for study to Harry J. Muller, Treasurer, in consultation with Arthur W. Kelly and Price, Waterhouse and Company. Mr.Muller was asked to report at the next meeting.

15. GREEK INCOME AND LICENSE TAX

Mr. Muller reported an opinion of counsel that the producer was obligated to bear a part of the income tax and license tax claimed by the Greek Fiscal Authorities.

It was moved and seconded, and unanimously

RESOLVED that the amount applicable to each producer be withheld and that where producers have credit balances in Greece the withholdings be made from such funds, and where producers do not have credit balances in Greece the withholdings be made at the official rate of exchange.

16. KORDA- Financial Transactions.

The Korda financial negotiations with Bankers Trust Company were again discussed.

The meeting thereupon adjourned, and it was

RESOLVED, that the regular monthly meeting for July should be held on June 25th at 2:30 p. m.

Paul D. O'Brien, Secretary of Meeting

I, LILLIAN F. McMAHON, do hereby certify that the attached is a true copy of the telegram which I sent to the persons designated thereon.

In Witness whereof, I have hereunto set my hand this 18th day of June, 1940.

Lillian F. McMahon

Charge to the account of O'Brien, Driscoll & Raftery $

CLASS OF SERVICE DESIRED

DOMESTIC		CABLE	
TELEGRAM		ORDINARY	
DAY LETTER	✓	URGENT RATE	
SERIAL		DEFERRED	
NIGHT LETTER		NIGHT LETTER	
SPECIAL SERVICE		SHIP RADIOGRAM	

Please check class of service desired; otherwise the message will be transmitted as telegram or ordinary cablegram.

WESTERN UNION

1284-B

R. B. WHITE, PRESIDENT
NEWCOMB CARLTON, CHAIRMAN OF THE BOARD
J. C. WILLEVER, FIRST VICE-PRESIDENT

CHECK

ACCOUNTING INFORMATION

TIME FILED

Send the following message, subject to the terms on back hereof, which are hereby agreed to

June 14, 1940

Send to following:
M. Silverstone - 729 Seventh Avenue, N.Y.City
E. Silverstone - " " " "
James Mulvey " " " "
Miss Mary Pickford, Sherry-Netherland Hotel, N.Y.City
Herbert H. Maass, 20 Exchange Place, New York City
Charles Schwartz, 1450 Broadway, New York City

Special meeting Board of Directors United Artists Corporation to be held Monday, June seventeenth eleven oclock office corporation seven twentynine seventh Avenue NewYork for purpos considering resolution in connection with Korda's London financing.

Edward C. Raftery, Secretary

June 18, 1940.

MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS
(Adjourned from June 17th, 1940)
of
UNITED ARTISTS CORPORATION

A Special Meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, No. 729 Seventh Avenue, New York City, at 10:00 a. m. in the forenoon on June 18th, 1940 pursuant to notice.

There were present:

Mr. Emanuel Silverstone,
Mr. Charles Schwartz,
Mr. James A. Mulvey
Mr. Herbert Maass

constituting a quorum.

There were also present:

Miss Mary Pickford,
Mr. M. Silverstone,
Mr. Arthur W. Kelly,
Mr. Harry J. Muller,
Mr. H. M. Bardt,
Mr. Paul D. O'Brien

Mr. Schwartz acted as Chairman of the meeting and Mr. Paul D. O'Brien acted as secretary.

1. JULY MONTHLY MEETING

The time of the July monthly meeting was changed from 2:30 p. m. in the afternoon to 10:00 a. m. in the forenoon and the secretary was instructed to send out notices thereof to the directors.

2. KORDA- Bankers Trust Company

A further discussion of the Korda financing was had and the following resolution was adopted:

WHEREAS, United Artists Corporation of Delaware is the owner of all of the capital stock of United Artists Corporation Limited, a British corporation; and

WHEREAS, United Artists Corporation of Delaware and United Artists Corporation Limited are interested in the distribution of films with which Alexander Korda Film Productions Limited, a British corporation, and/or Alexander Korda are associated; and

WHEREAS, Bankers Trust Company, a banking corporation created under the laws of the State of New York, with its principal office at 16 Wall Street, in the Borough of Manhattan, City of New York, is about to extend credit or advance funds to said Alexander Korda Film Productions Limited and/or Alexander Korda and such credits or loans will be of benefit to United Artists Corporation of Delaware and said United Artists Corporation Limited; and

WHEREAS, United Artists Corporation of Delaware proposes to guarantee payment and performance of any such loans or credit extended by Bankers Trust Company to Alexander Korda Film Productions Limited and/or Alexander Korda to the extent hereinafter more specifically set forth;

THEREFORE, BE IT

RESOLVED, that the President or any Vice-President of United Artists Corporation of Delaware is hereby authorized and directed irrevocably and unconditionally to execute and deliver for and in behalf of the corporation an instrument of guarantee as follows:

"New York, June 18th, 1940.

Bankers Trust Company,
16 Wall Street,
New York, New York

Gentlemen:

United Artists Corporation of Delaware (sometimes herein called the "undersigned") is the owner of all of the capital stock of United Artists Corporation Limited, a British Corporation. Each of such corporations is interested in the distribution of films with which Alexander Korda Film Productions Limited, a British Corporation (hereinafter sometimes called the "Producer") is associated. You are about to extend credits or advance funds to the Producer and such credits or loans will be of benefit to the undersigned and its subsidiary. The amount of said advance is not to exceed £90,000 sterling British.

It is contemplated that the undersigned and its subsidiary are now distributing, or will distribute the following films for the Producer: "THIEF OF BAGDAD", "FOUR FEATHERS" and "LION HAS WINGS", and that there will be assigned, pledged or transferred to you the net share of the receipts in British Isles, including Ireland, of the Producer on the "THIEF OF BAGDAD" and the remainder of the Producer's net share on "FOUR FEATHERS" and "LION HAS WINGS", throughout the world, with the exception of British Isles including Ireland. British Isles, including Ireland for all the purposes of this agreement are more particularly defined as follows:

> United Kingdom of Great Britain and Northern Ireland, Eire, Channel Islands, The Isle of Man, Malta, Gibraltar, the Royal Navy in Home Ports and British Ships at Sea.

In consideration of your extending credits or advances to the Producer, credited to it at your office in London, not exceeding in all £90,000 sterling, British, or such part thereof as the Producer requests, the undersigned, United Artists Corporation of Delaware promises and agrees to pay to you in London, at the office of Bankers Trust Company there, and in pounds sterling of such type and character as the London office of Bankers Trust Company shall, at the time of payment under this obligation, be legally required to apply in liquidation or payment of its ordinary current and fixed time deposit accounts, the amount still owing to you upon such credits or loans, not exceeding £40,000. This is a guarantee of payment of the said loans or credits up to the amount of £40,000, after crediting upon the Producer's obligation to you your actual receipts from the transfer of the Producer's net share of the said films, during the period of twelve months from the general release date of "THIEF OF BAGDAD" in the British Isles, including Ireland. The date of payment by the undersigned shall not be later than September 1, 1941.

Payment of the pounds sterling to be made hereunder shall be at the rate of exchange at the time payment under this guarantee is due, but provided, however, that if action shall be brought by you to enforce payment, then payment shall be made at the rate of exchange as nearly as the same may be fixed by the court as of the date of entry of judgment.

If any governmental authority in Great Britain shall by its action, law or regulation, or otherwise, interfere with or delay the payment to you of the Producer's share of said net receipts or promulgate a moratorium law or any regulation which affects the repayment of your credits or loans, or the actual receipt by you of the Producer's net share of the receipts from said films, our obligation hereunder shall be in no wise affected.

It is contemplated that the Producer's net share of receipts from exploitation of said films outside of the British Isles and Ireland is to be paid to your New York office. Payment of any part of the said receipts received by you in pounds sterling shall be applied at once to the reduction of the debt of the Producer, less any cost of exchange to make said pounds available at your London office and of the type or character required by you to liquidate your ordinary current and fixed time deposits. Payment of said Producer's net share of receipts from territory outside of the British Isles and Ireland, when made in any other currency than pounds sterling, British, subject to the conversion of such currencies into U.S. Dollars, as provided below, shall be retained by you as collateral for the obligations of the Producer to you upon the said credits or loans, and shall be applied, if payment of said loan has not been made, less the appropriate cost of exchange, into pounds sterling, British, of the same type or character required by you to liquidate your ordinary current and fixed time deposits, at your London office on the date that any payment hereunder by the undersigned becomes or would become due to you. All currencies, except British pounds, held by you in New York City shall be converted into dollars U. S., as soon as convenient. We shall have the right at maturity, if the loan is not previously paid, to give you pound equivalent of the kind and character referred to above in exchange for the U. S. dollar collateral held by you, provided the producer has consented and there is no violation of any laws or regulations of the British government.

We hereby waive demand of payment, protest, notice of protest of any of the obligations hereby guaranteed, or with respect to any of the Producer's share of receipts from said films, suit against any party connected with such obligations or share of receipts, and the giving of notice to and the making of any demand upon ourselves.

Any collateral, or the proceeds from any collteral, in the sovereign country, France, may, with your consent and that of the undersigned, be exchanged, released, surrendered, realized upon or otherwise dealt with.

It is understood that you are not required before any obligation on our part arises under this guarantee, to proceed to collect, or in any way dispose of any type or form of security, or obligation, or order which you may have in connection with such loans or credits from time to time and that you do not at any time warrant the title or condition of any such security, or obligation, or order, and upon payment to you by us will assign to us your right, title and interest in such security, or obligation, or order, provided you have been paid in full. Our obligation herein is under the laws of the State of New York.

UNITED ARTISTS CORPORATION OF DELAWARE

BY_____

ATTEST:

_____"

There being no further business, the meeting thereupon duly adjourned.

Paul D. O'Brien, Secretary of Meeting

PLEASE TAKE NOTICE that the regular monthly meeting for July of the Board of Directors of UNITED ARTISTS CORPORATION will be held at the offices of the Corporation, 729 Seventh Avenue, New York City, on Tuesday, June 25th, 1940 at 10:00 o'clock in the morning.

Dated New York, June 18th, 1940.

Edward C. Raftery, Secretary

June 26, 1940.

MINUTES OF THE REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS
(Adjourned Meeting)

of

UNITED ARTISTS CORPORATION

The Regular Monthly Meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, No. 729 Seventh Avenue, New York City, at 10:00 a. m. in the morning on June 26th, 1940 pursuant to notice.

There were present:

Mr. Emanuel Silverstone,
Mr. James A. Mulvey
Mr. Herbert Maass
Mr. Dennis F. O'Brien
Mr. Charles Schwartz

constituting the Board of Directors.

There were also present:

Mr. Arthur W. Kelly,
Mr. Maurice Silverstone,
Mr. Harry D. Buckley,
Mr. Harry J. Muller,
Mr. Edward C. Raftery,
Mr. Paul D. O'Brien
Mr. H. M. Bardt.

Mr. O'Brien acted as Chairman of the meeting, and Mr. Edward C. Raftery acted as secretary.

1) ECONOMIES:

Mr. M. Silverstone presented to the meeting a complete and thorough analysis of the entire structure of United Artists Corporation which had been prepared by Mr. M. Silverstone

in conjunction with Mr. Harry D. Buckley and Mr. Arthur W. Kelly. This analysis had been prepared with a view of affecting such economies as might be possible because of the evident loss of European markets.

After deliberation the matter was tabled for further discussion.

2.) DAVID L. LOEW

(a) Assignment of Distribution Contract:

Mr. David L. Loew sought the right to assign his distribution contract for two pictures entitled "FLOTSAM" and "NIGHT MUSIC" respectively to a corporation named David L. Loew-Albert Lewin, Inc. He stated that he had a substantial interest in the corporation, that he would supervise the production of the two pictures, that he would be the Chief Executive Officer, and that he would render his services exclusively to that corporation while the two pictures were being made. The request was granted.

(b) Amendments to Distribution Contract:

Clause "FOURTEENTH" is to be amended so that the cost of checking of a picture earning a film rental of $500.00 or less is to be borne 75% by the Producer and 25% by the Distributor, and the cost of checking any engagement over $500.00 is to be borne entirely by the Distributor.

Clause "SIXTEENTH" is to be amended so that the limit on fan magazine advertising of $1,000. was removed.

3) HART CASE (Judge Proskauer)

Judge Proskauer's legal fee of $10,000 plus disbursements of $407.01 in payment of his services in arguing the two appeals in the Hart case was approved.

4) TWENTIETH CENTURY-FOX FILM (PRODUCT)

Mr. M. Silverstone reported a request from Twentieth Century-Fox Film for the return of its product for the entire world.

It was

RESOLVED that the request be granted, provided the United Artists Corporation secure from Twentieth Century-Fox Film Corporation in consideration therefor a general release in a document approved by counsel, and provided permission be obtained to play off all unplayed contracts and also to complete licensed agency agreements.

5) U. A. (AUSTRALASIA) LTD.

Mr. M. Silverstone presented to the meeting the minutes of a Directors' Meeting of the Australasia subsidiary held March 1, 1940.

6) RE: PICTURE ENTITLED "ESCANDALO"

Mr. M. Silverstone reported the acquisition of a Chilean picture entitled "ESCANDALO" on terms of 25% for distribution in Chile and stockholder-producer terms outside of Chile. He reported the picture was doing well.

7) PANAM PRODUCTIONS LTD.

Mr. M. Silverstone reported that a contract with Panam Productions Ltd. for four (4) Spanish talking pictures was negotiated. The execution of this contract was approved.

8) "EMPEROR JONES"

Mr. M. Silverstone reported that there was a provision in the "EMPEROR JONES" contract for a quota charge of 1½. per foot. This he explains was put in the contract when the proper amount chargeable for quota was unknown and experimental. The Producer has objected to this charge on the ground that the

charge was to be made only if the Distribution Company had a quota loss. In order to avoid threatened litigation it was left to the discretion of the General Manager to adjust.

9) JAMES ROOSEVELT

Mr. M. Silverstone reported that Mr. Roosevelt had withdrawn his request for an assignment of his contract.

10) HAL ROACH STUDIOS, INC.

Mr. M. Silverstone reported that after obtaining the approval of four directors, on June 13th, 1940 United Artists Corporation had paid $75,000. to the assignees of Hal Roach Studios, Inc. as an advance to be recouped by United Artists Corporation from all Roach product at the average rate of $7500. weekly starting June 21, 1940. The Bankers Trust Company had requested that the $7500 per week should be deducted from the earnings "OF MICE AND MEN", and, in the event the proceeds of that picture in the final few weeks are not sufficient, then from the proceeds due Roach on "ONE MILLION B. C."

This transaction was approved.

11) STOCK CERTIFICATES OF SUBSIDIARIES.

It was suggested that the stock certificates of the subsidiaries be sent on to New York wherever legally possible.

12) SWEDEN

In accordance with advice of United Artists' attorneys in Sweden because of the change in the law it was suggested the stock certificates of the subsidiary corporation be transferred from the nominees to the United Artists Corporation.

13) EMPLOYEES IN BELLIGERENT AREAS

Mr. M. Silverstone reported that some of the employees in belligerent areas wanted to borrow dollars in the United States or Canada for the purpose of aiding their familes which have come to the United States or Canada, such sums to be charged against the compensation, if legally possible, in any event to be treated as a loan which they received in other currencies.

It was therefore

RESOLVED that this matter should be left to the discretion of the General Manager such advances not to exceed an average of $200. per week.

14) KORDA BANK LOAN

1) It was suggested that United Artists Corporation Ltd. open an account with Bankers Trust Company, Ltd. and increase that account as quickly as practicable to £40,000, with the understanding that this money is earmarked under our guarantee and also with the understanding that Bankers Trust Company accept said Pounds as of the kind and character of sterling called for under our guarantee and that they accept the right to use these Pounds without securing our consent until the repayment of the £90,000 Korda Loan.

The sending of the attached cable to this effect was approved.

2) The resolution set forth in item (2) of the minutes of the Special Meeting of the Board of Directors held on June 18, 1940 was again presented to the Board of Directors for a vote, and upon motion duly made and seconded this resolution was again approved and ratified.

Messrs. Maass, Schwartz, Silverstone and O'Brien voted for the resolution, Mr. Mulvey voted against the resolution.

Mr. Paul D. O'Brien, the secretary of the meeting of

June 18th, 1940 was also ordered to record that Mr. Mulvey voted against the resolution adopted at that meeting.

15) LEGAL FEES:

Bills for United Artists' share of fees due on various anti-trust suits were presented and approved as follows:

1)	Byers v. M. K. Murphy, et al. (Roanoke).	$ 23.55
2)	Gary v. Columbia, et al. (Chicago). . .	60.30
3)	Dunbar v. Metro, et al. . . .	59.76
4)	Owen v. Paramount, et al. . . .	85.14
5)	Boston Anti-trust suits . . .	147.41

16) UNITED STATES v. UNITED ARTISTS, et al.

Mr. Raftery reported at length upon the negotiations being carried on in an effort to settle the so-called government law suit.

17) LYNN FARNOL (Leave of Absence)

Mr. M. Silverstone reported a request of Mr. Farnol for a leave of absence of one month, two weeks to be with pay, his vacation, and two weeks without pay, and that this leave of absence be decreed not to affect his contract with United Artists Corporation, and that he desired to use this time to attend Miltary Camp at Plattsburg, New York.

It was therefore

RESOLVED that Mr. Farnol's request be granted.

18) ERNST LUBITSCH-SOL LESSER

Mr. M. Silverstone reported a request from Messrs. Lubitsch and Lesser to amend their contracts with United Artists Corporation. Ernst Lubitsch has a contract with Sol Lesser for four (4) pictures determinable by either party at the end of the first picture, also determinable by either party at the end of the second picture. United Artists Corporation has an option to take up the unexpired portion of the four (4) pictures and Mr. Lubitsch is willing to make a firm commitment for two pictures in consideration of the cancellation of the option. Both Messrs. Lubitsch and Lesser guarantee to deliver to United Artists Corporation two Lubitsch pictures, this arrangement not to reduce in any way the obligation of Sol Lesser to deliver pictures produced by Lesser under his distribution agreement with United Artists Corporation dated May 12, 1939 as amended.

It was therefore

RESOLVED that this request be granted and that counsel be advised to draw up a proper instrument and that the officers of the corporation be authorized to execute such instrument when drawn and approved by counsel.

19) ARGENTINE

A letter from United Artists' Argentine Manager, Guy Morgan, indicates that it is advisable to draw as much money as

possible from Argentine. Mr. Kelly suggests that United Artists borrow from the National City Bank for the account of the corporation's producers and United Artists Corporation 350,000 Pesos, which he estimates will cover the approximate remittances that would be made from now until the end of 1940. The National City Bank advises that they believe they can loan the corporation this sum and that it can be transmitted at the rate of 22¢ per Peso.

Mr. Kelly called a meeting of producers' representatives on June 17th at which were present Messrs. Mulvey, Calvert, Kosiner, Milstein and E. Silverstone, who generally acquiesced in the plan that they stand all charges in connection with their respective sums provided payment is immediately made to them for the sums borrowed for them.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the United Artists Corporation hereby guarantees the repayment by U. A. South American Corporation to National City Bank of New York a loan of 350,000 Pesos made by the National City Bank of New York to U. A. South American Corporation.

Be it further

RESOLVED, that the action of the Vice President and Treasurer in signing the National City Bank of New York's Form of Continuing Guaranty of said loan is hereby ratified and approved.

20) Samuel Goldwyn, Inc. (Home Office Account)

Mr. Muller reported that the Home Office Account with Samuel Goldwyn, Inc. for rent, telephone, etc. has now reached the sum of $14,151.10 as of May 31, 1940, and likewise there was unrecouped debit balance on "KID FROM SPAIN" for Goldwyn's share of re-issue prints, etc. amounting to $3,009.32 as of June 1, 1940.

This matter was tabled for further discussion at the next meeting.

21) MINUTES OF PREVIOUS MEETINGS:

1) Mr. E. Silverstone requested that in item (4) of the minutes of May 27th that there be inserted the words "in England" after the word "residuals". It was approved that this correction be made.

2) Mr. Paul O'Brien reported that he had received as secretary of the meeting of May 27th a letter from Mr. Mulvey asking that certain corrections be made.

It was therefore

RESOLVED that Mr. Mulvey's letter of June 17, 1940 be attached to the minutes of this meeting.

3) Mr. Paul O'Brien reported that he had received as secretary of the meeting of June 18th a letter from Mr. Mulvey requesting an amendment of the minutes at that meeting.

It was therefore

RESOLVED that Mr. Mulvey's letter of June 25, 1940 be attached to the minutes of this meeting.

22) AMBULANCES FOR BRITISH ARMY

Mr. M. Silverstone reported that the United Artists Corporation Ltd. in conjunction with all other film distributing agencies in Great Britain had made a contribution for the purchase of ambulances for the British Army.

23) BOSTON ANTI-TRUST LITIGATION

Mr. Raftery reported that the Industry had received a bill in the amount of $185,000 of which United Artists Corporation was obligated to pay approximately 5% in connection with this litigation.

The question of payment was left in abeyance.

24) STATEMENT OF SUMMARY OF CONTRACTS TAKEN

Mr. James Mulvey made a demand that he be furnished the Summary of Contracts Taken statement.

It was

RESOLVED that copies of the Summary of Contracts Taken be not furnished to each director but that said statement be made available for the inspection of any director who wishes to examine it.

25) ARIZONA INCOME TAX

After a hearing before the Tax Board Mr. Lawler reported that United Artists Corporation was successful in that Arizona withdrew the tax assessment.

26) WALTER WANGER PRODUCTIONS, INC.(Investment)

The Treasurer brought up the question of the investment in Walter Wanger Productions, Incorporated and, in view of the

chaotic foreign situation and its attendant blocked currencies, it was

RESOLVED that a reserve of $500,000 be provided in respect of this investment out of the corporation's surplus as of December 30, 1939.

27) REQUEST FROM A. E. ABRAHAMS

Mr. A. E. Abrahams from whom the corporation leases the London Pavilion and who is a very prominent man in England, has a daughter with two children. Mr. Abrahams requests that we advance up to $100. per week to his daughter for the period of the war. The matter was left to the General Manager to deal with in any manner he sought fit.

28) "CONTRABAND"- retitled "BLACKOUT"

Mr. M. Silverstone presented to the meeting the request of Mr. Selznick for a distribution contract with United Artists Corporation for the distribution of an English made motion picture entitled "CONTRABAND". This picture was to be bought for a flat purchase price, one-third of which was to be paid by Selznick International Pictures, Inc., one-third by Samuel Goldwyn, Inc. and one-third by United Artists Corporation, the purchase price to be constituted of frozen English money in England.

There followed a discussion of the question. Thereafter it was moved and seconded, as follows:

RESOLVED that United Artists Corporation distribute the motion picture entitled "CONTRABAND on stockholder-producer terms, with certain modifications and changes in favor of the corporation, the distribution rights to which have been purchased by United Artists for United States and Canada and certain other countries in the Western Hemisphere. The purchase price to be paid by, and the interest to be divided one-third to Selznick International Pictures, Inc., one-third to Samuel Goldwyn, Inc. and one-third to United Artists Corporation, with the understanding that United Artists has the right to assign any part of its interest to producers distributing through the corporation which assignments the General Manager is hereby authorized to negotiate and conclude; and be it

FURTHER RESOLVED that the officers of United Artists Corporation be, and they are hereby authorized to execute an agreement between the above mentioned parties, in a form to be approved by General Counsel;and be it

FURTHER RESOLVED that United Artists Corporation is hereby authorized to invest of its frozen English funds an amount sufficient to pay one-third of the purchase price and the incidental expenses connected with the acquisition of such distribution rights, together with the incidental expenses incurred in dollars and as approved by the General Manager in connection with the re-editing of the picture.

Mr. Mulvey stated that because of the interest of his principal, Samuel Goldwyn, Inc. in the above transaction, that he be relieved of the obligation of voting, but that his principal, Samuel Goldwyn, Inc., a corporation of which he was Vice-President, a stockholder expressly approved the above transaction and the above resolution. The remaining four directors voted in the affirmative and the resolution was declared carried.

29) KORDA LOAN

In pursuance of the plan of the Korda loan previously discussed it was resolved to open an bank account at the Bankers Trust Company to be known as "UNITED ARTISTS CORPORATION KORDA COLLATERAL ACCOUNT".

It was moved, seconded and unanimously

RESOLVED, that BANKERS TRUST COMPANY of the City of New York is designated a depositary of this corporation; and

FURTHER RESOLVED, that said depositary is directed to honor and pay drafts, checks and other instruments or orders for the payment of money drawn against the account or accounts of this corporation when signed by any two of the following: one of whom shall be the President or a Vice-President and the other of whom shall be the Treasurer, Assistant Treasurer, Secretary, or Assistant Secretary.

FURTHER RESOLVED, that the depository above designated is authorized to place to the credit of the account or any of the accounts, of this corporation, funds, drafts, checks or other property delivered to it for deposit for account of this corporation, whether or not indorsed with the name of this corporation by rubber stamp, facsimile, mechanical, manual or other signature, and any such indorsement by whomsoever affixed shall be the indorsement of this corporation, provided that if any such funds, drafts, checks or other property shall bear, or be accompanied by, directions (by whomever made) for deposit to a specific account, then such deposit shall be to the credit of such specific account; and

FURTHER RESOLVED, that the depositary is hereby directed to accept and/or pay and/or apply without limit as to amount, without inquiry and without regard to the application of any such draft, check, instrument or order for the payment of money, or the proceeds thereof, any draft, check, instrument or order for the payment of money drawn on such account or accounts, which draft, check, instrument or order for the payment of money bears the signature or signatures now or hereafter authorized by this corporation, including drafts, checks, instruments or orders for the payment of money, to the order of any person whose signature appears thereon, or of any other officer or officers, agent or agents of this corporation, which may be deposited with, or delivered or transferred to, the depositary or to any other person, firm or corporation, for the personal credit or account of any such officer or agent; and the depositary shall not be liable for any disposition which any such officer or agent shall make of all or any part of any draft, check, instrument or order for the payment of money drawn on such account or accounts or the proceeds thereof, notwithstanding that such disposition may be made for the personal account or benefit or in payment of the individual obligation of any such officer

or agent to the depositary or otherwise.

There being no further business, the meeting upon motion thereupon duly adjourned.

Edward C. Raftery, Secretary of Meeting.

3340

C.C. Mr. Miller

UNITED ARTISTS CORPORATION

July 1st. 1940.

NLT
UNITEDARTISTS
BARBOURSTREET
LONDON (ENGLAND)

79286 Uniteds fortythousand pound guarantee under Korda loan provides if called upon under guarantee we will furnish Bankers London with sterling of kind and character which will permit them to pay their depositors STOP This is your authorization to make immediate deposit with Bankers of twentythousand pounds if not already done and build up to fortythousand as quickly as practicable with understanding it is earmarked under our guarantee and secure Bankers acceptance that pounds so deposited is our collateral for our guarantee and accepted by them as kind and character of sterling called for under our guarantee given them and they accept the right to use them without securing our or your consent it being our intention to earmark this sterling for the Bank and not use same as drawing account until the Bank loan is fully paid up

ARTHUR KELLY

AK:IH

STUDIO-LOS ANGELES
7210 SANTA MONICA BLVD.

CABLE ADDRESS
"GOLDSAM"

SAMUEL GOLDWYN, INC.

729 SEVENTH AVENUE
NEW YORK

JAMES A. MULVEY
VICE PRESIDENT

June 17, 1940.

Paul D. O'Brien, Esq.,
O'Brien, Driscoll & Raftery,
152 West 42 Street,
New York, N.Y.

Dear Paul:

Referring to the Minutes of the Board meeting of the United Artists Corporation held on May 27, 1940, there are two items which I consider to be improperly stated:

Item #5 with respect to the uncollectable accounts from the Loew Company as set forth as having been duly moved and seconded and that the amount uncollected from Loew be written off, you state that Emanuel Silverstone did not vote on this matter; I did not vote either and I wish you would please correct the Minutes accordingly.

Also Item #6 with respect to the William Hart Judgment, it is recited that it was duly moved and seconded that the Hart judgment be paid out of cash and that I did not vote. My recollection is that the resolution as offered by Mr. Maass and duly seconded, was that the insurance policies on the life of Joseph M. Schenck be retained, that the bonds belonging to the company which have been on deposit with the Security company in connection with this matter be sold for cash and that the full judgment be paid in cash. I did not vote on this resolution.

Sincerely,

Mulvey

STUDIO-LOS ANGELES
7210 SANTA MONICA BLVD.

CABLE ADDRESS
"GOLDSAM"

SAMUEL GOLDWYN, INC.

729 SEVENTH AVENUE
NEW YORK

JAMES A. MULVEY
VICE PRESIDENT

June 25, 1940.

Paul D. O'Brien, Esq.,
O'Brien, Driscoll & Raftery
152 West 42nd Street
New York, N.Y.

Dear Paul:

I acknowledge receipt of your letter of June 24 together with a copy of the minutes of the Special Meeting of the Board of Directors of United Artists Corporation held at the office of the company on June 18, 1940.

I am quite amazed that you recite that the resolution embodied therein was "adopted" without stating who voted for the resolution and who voted against it. Mr. Schwartz, Mr. Maass and Emanuel Silverstone voted in favor of the resolution and I voted against it.

I would appreciate it very much if you would please correct the minutes to set forth these facts.

Sincerely,

Jamulvey

NOTICE OF REGULAR MONTHLY MEETING

of

BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION

PLEASE TAKE NOTICE that the regular montly meeting for August of the Board of Directors of United Artists Corporation will be held at the offices of the Corporation, 729 Seventh Avenue, New York City, on Tuesday, August 6th, 1940, at 2:30 o'clock in the afternoon.

Dated New York, July 30th, 1940.

Paul N. O'Brien, Assistant Secretary

NOTICE OF ADJOURNMENT OF REGULAR MONTHLY MEETING

of the

BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

PLEASE TAKE NOTICE that the regular monthly meeting for August of the Board of Directors of United Artists Corporation was called and assembled at the office of the corporation, No. 729 Seventh Avenue, New York, on Tuesday, August 6, 1940, at 2:30 o'clock in the afternoon, and was duly adjourned to August 13, 1940 at the same time and place.

Dated, New York, August 7, 1940.

Paul D. O'Brien
Assistant Secretary

August 6, 1940

MINUTES OF THE REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

The Regular Monthly Meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, No. 729 Seventh Avenue, New York, N. Y., at 2:30 o'clock in the afternoon, on August 6, 1940.

There were present:

MR. JAMES A. MULVEY
MR. DENNIS F. O'BRIEN
MR. EMANUEL SILVERSTONE

constituting a quorum.

There was in attendance Mr. Stephen Pallos.

Mr. O'Brien acted as Chairman of the meeting, and Mr. Emanuel Silverstone acted as Secretary.

Upon motion of Mr. O'Brien and seconded by Mr. Silverstone, it was unanimously voted that the meeting be adjourned for all purposes one week, to wit, August 13, 1940, at the same time and place.

_____
Secretary

August 13, 1940.

MINUTES OF SPECIAL MEETING OF THE STOCKHOLDERS

of

UNITED ARTISTS CORPORATION

A Special Meeting of the Stockholders of UNITED ARTISTS CORPORATION, was held at the office of the corporation, No. 729 Seventh Avenue, New York City, at 2:00 o'clock in the afternoon, on the 13th day of August, 1940, pursuant to notice.

The meeting was duly called to order.

The Assistant Secretary of the Corporation stated that a quorum of stockholders was present.

Mr. Paul D.O'Brien, acted as Secretary of the meeting.

The Secretary presented to the meeting the resignation of Mr. Emanuel Silverstone.

Upon motion duly made, seconded and unanimously adopted it was

> RESOLVED, that the resignation of Mr. Emanuel Silverstone as a director of United Artists Corporation be and the same hereby is accepted.

Mr.Silverstone then presented in nomination as a director the name of Mr. Stephen Pallos.

There being no further nominations the ballots were declared closed by the Chairman, and upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the Secretary of the meeting be and he hereby is directed to cast a ballot for the election of Mr. Stephen Pallos as a director of the corporation.

The meeting thereupon adjourned..

Paul D.O'Brien, Secretary of the meeting.

SPECIAL MEETING OF THE STOCKHOLDERS

of

UNITED ARTISTS CORPORATION

PLEASE TAKE NOTICE that there will be a Special Meeting of the Stockholders of UNITED ARTISTS CORPORATION on August 13th, 1940 at 2:00 o'clock in the afternoon at the office of the Corporation, 729 Seventh Avenue, New York City for the purpose of accepting the resignation of Mr. Emanuel Silverstone as a director of the corporation and for the purpose of electing a director as successor to Mr. Emanuel Silverstone, Mr. Stephen Pallos.

Dated August 8th, 1940.

_____

Secretary

AFFIDAVIT OF MAILING NOTICES

STATE OF NEW YORK)
: ss:
COUNTY OF NEW YORK)

EDWARD C. RAFTERY, being duly sworn, deposes and says: That he is the Secretary of UNITED ARTISTS CORPORATION, a corporation of the State of Delaware; that on the 8th day of August, 1940 he caused a notice of special meeting of stockholders of said corporation, a copy of which is hereto annexed, to be mailed in a sealed wrapper, postage prepaid, addressed to each stockholder of record of said corporation at his or its post office address as the same appears on the books of the said corporation

Sworn to before me, this)
8th day of August, 1940)

Edward C. Raftery

LIST OF STOCKHOLDERS TO WHOM NOTICES WERE SENT:

- - - - - - - - - - - -

The Pickford Corporation
1041 North Formosa Avenue
Hollywood, California

The Elton Corporation
c/o Bank of America,
650 So. Spring Street,
Los Angeles, California

Mr. Charles Chaplin
1416 North LaBrea Avenue
Hollywood, California

Mr. Samuel Goldwyn,
7210 Santa Monica Boulevard,
Hollywood, California

Samuel Goldwyn, Inc.
729 Seventh Avenue
New York City.

Mr. Alexander Korda,
1040 North Las Palmas Ave.
Hollywood, California

Mr. Alexander Korda
c/o London Film Productions Ltd
729 Seventh Avenue
New York City

New York, August 13, 1940.

United Artists Corporation
729 Seventh Avenue
New York City

Gentlemen:

I hereby tender my resignation as a director of UNITED ARTISTS CORPORATION to take effect immediately.

Very truly yours,

Emanuel Silverstone

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

SYMBOLS

DL = Day Letter
NL = Night Letter
LC = Deferred Cable
NLT = Cable Night Letter
Ship Radiogram

R. B. WHITE, PRESIDENT
NEWCOMB CARLTON, CHAIRMAN OF THE BOARD
J. C. WILLEVER, FIRST VICE-PRESIDENT

Time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

NB166 26 SER=WUX LOSANGELES CALIF AUG 12 1159A

UNITED ARTISTS CORP=

729 SEVENTH AVE=

=I HEREBY APPOINT SEVEN PALLOS MY PROXY FOR THE PURPOSE OF ATTENDING THE SPECIAL MEETING OF THE STOCKHOLDERS OF UNITED ARTISTS CALLED FOR TUESDAY AUGUST THIRTEENTH=

=ALEXANDER KORDA=

417P=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

August 13, 1940.

MINUTES OF THE REGULAR MONTHLY MEETING OF THE
BOARD OF DIRECTORS
(Adjourned from August 6,1940).

The Regular Monthly meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, No. 729 Seventh Avenue, New York City, at 2:30 o'clock in the afternoon, on the 13th day of August, 1940 pursuant to notice.

There were present:

Mr. Stephen Pallos
Mr. Charles Schwartz
Mr. James A.Mulvey
Mr. Herbert Maass

constituting a quorum.

There were also present:

Mr. Maurice Silverstone
Mr. Emanuel Silverstone
Mr. Arthur W.Kelly
Mr. Paul D. O'Brien

Mr. Maass acted as Chairman of the meeting and Mr. Paul D.O'Brien acted as Secretary.

1) REQUESTS FOR DISTRIBUTION:

Mr.Silverstone reported the following requests for distribution. After consideration each request was refused:

(a) Nat Levine for a feature picture entitled WILD ANIMAL STORY.

(b) Tim Durant for a feature picture entitled LOS DE ABAJO to be produced in English in Mexico.

(c) M. Dale for a series of feature pictures.

(d) Erman Pessis for a series of shorts.

(e) Sol Lesser for a series of shorts entitled THE QUIZZ KIDS.

(f) Jess Smith for picture called SPOILERS.

(g) Marion Gering for picture called SONG ON YOUR BUGLE.

2) BOSTON ANTI TRUST SUIT:

United Artists Corporation's share of the payment of account of the firm of Nutter, McClennan & Fish for their services in the Boston Anti-Trust suit was approved. United Artists Corporation share was $6250.

3) GABRIEL PASCAL - RE: MARION BALDWIN:

Marion Baldwin is employed by Gabriel Pascal as a publicity agent. Mr. Pascal requested that United Artists pay Miss Baldwin's salary of £20 per week as an advance to be recouped by United Artists from any moneys that might be or become due to Mr. Pascal. This request was approved.

4) RE: SELZNICK:

(a) Assignment to David Selznick

Contracts reflecting assignment of the Selznick International Pictures, Inc., contract for two pictures to David Selznick was authorized by the Board to be delivered to Mr. Selznick when approved in form by counsel as reflecting the substance of the resolution of the meeting of April 2, 1940.

(b) Mr.Silverstone reported that Selznick International Pictures, Inc., had requested United Artists to purchase the residual value of Selznick International productions at a discount of 5%. It was the consensus of the meeting that the General Manager should continue negotiations.

5) RE: NECROMANCERS:

The substitution of a British picture entitled NECROMANCERS was approved in place of the picture FALL OF A NATION previously to be delivered which was now cancelled.

6) RE: SAMUEL GOLDWYN, INC. HOME OFFICE ACCOUNT:

The consideration of this matter was passed to the next meeting.

7) RE: ST. LOUIS EXCHANGE:

Mr. Silverstone reported that the lease for the premises in which the St. Louis Exchange was located was expiring this year and that United Artists Corporation had been offered a 12-year lease in a new building. It was the consensus of the meeting that such a long term lease was inadvisable at this time.

8) RE: ESTIMATES OF WORLD WIDE PROFIT AND LOSS FOR THE SIX MONTHS ENDING JUNE 29, 1940:

The General Manager reported on this subject.

9) MR. SILVERSTONE'S EXPENSES:

Mr. Silverstone presented his expenses for his trip to California from July 29th to August 10th. This expense account was approved.

10) RE: PASTOR HALL:

A distribution agreement for Pastor Hall between United Artists Corporation, Grand National Films, Ltd., and James Roosevelt was ratified and approved.

Mr. Mulvey did not vote.

11) TORONTO LEASE:

Extension of the lease in Toronto for the Toronto Exchange for one year was approved.

12) REGULAR MONTHLY SEPTEMBER MEETING:

It was

RESOLVED that the September meeting should be held on the 10th day of September, 1940, at 2:30 o'clock in the afternoon, and that due notice should be sent to the directors thereof.

There being no further business, the meeting upon motion thereupon duly adjourned.

Paul D.O'Brien, Secretary of the Meeting

NOTICE OF REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

PLEASE TAKE NOTICE that the regular monthly meeting for September of the Board of Directors of United Artists Corporation will be held at the offices of the corporation, 729 Seventh Avenue, New York City, on Tuesday, September 17th, 1940 at 2:30 o'clock in the afternoon.

Dated New York, September 5, 1940.

Edward C. Raftery, Secretary

MINUTES OF THE REGULAR MONTHLY MEETING OF BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

The Regular Monthly Meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation, No.729 Seventh Avenue, New York City, at 2.30 P.M. on the 17th day of September, 1940 pursuant to notice.

There were present:

Mr. Dennis F. O'Brien
Mr. Charles Schwartz
Mr. James Mulvey
Mr. Herbert Maass
Mr. Stephen Pallos

representing all of the Board of Directors.

There were also present:

Mr. M. Silverstone
Mr. E. Silverstone
Mr. Arthur W. Kelly
Mr. Harry J. Muller
Mr. Edward C. Raftery

Mr. O'Brien acted as Chairman of the meeting, and Mr. Raftery acted as secretary.

SURVEY

Mr. Silverstone presented to the meeting a proposal by Millard Donaldson & Company to make a survey of the business of United Artists Corporation with a view to affecting economies. After a lengthy discussion the matter was tabled for an adjourned meeting.

HAYS ORGANIZATION

The next matter was a discussion regarding the fact

that as of September 1, 1940 the membership of the United Artists Corporation in the Hays Organization had automatically expired. After discussion this matter was tabled for the adjourned meeting.

GOVERNMENT SUIT

Mr. Raftery gave a lengthy report of the status of the Government suit and the proposed Consent Decree. It was the sense of the meeting that a written report be given to each of the Producers, together with copies of the proposals that are expected to be included in the Consent Decree. Mr. Raftery agreed to send this out as soon as practicable after the meeting and discussion was postponed until the adjourned meeting.

LEASES

The following Exchange leases were approved:

(1) Charlotte Exchange
(2) Atlanta Exchange
(3) Calgary Exchange
(4) Los Angeles Exchange

All of these leases have been recommended by Mr. Harry D. Buckley who is in charge of the exchanges.

LONDON PAVILION

A lengthy discussion was had regarding the London Pavilion lease, together with a proposal to be relieved of the obligation of the lease by the payment of £20,000. The matter was tabled for further investigation.

SOLICITORS - ENGLAND

Question regarding the London solicitors was next discussed and the thought was that no change should be made at this time.

ODEON

Mr. Kelly made a report regarding the Odeon situatio

together with a report that a suggestion had been made by the Deutsch interests to purchase the entire holdings of United Artists in Odeon. The matter was discussed and referred to Mr. Kelly for investigation.

REQUEST FROM AUSTRALIA

The Board unanimously approved a request from the Department of Information from Australia to use scenes from "LION HAS WINGS" for patriotic purposes.

REQUEST FROM MISS PICKFORD

The Board unanimously approved a request from Miss Pickford for distribution in Canada, without compensation, for a picture to be made from Miss Pickford's silent films, the entire proceeds to be given to Canadian War Relief.

LONDON FILMS

The Board unanimously approved the request of London Films for the return of 16 mm. rights on early distribution contracts.

REQUESTS FOR DISTRIBUTION

The General Manager recommended that the following requests for distribution be turned down:

1. from Jack Gallaher for a Mae West picture.
2. from Sagall for a picture to be produced by Carl Gruene.
3. from Loyd Wright on behalf of a client who wished distribution of one reel shorts with opera singers.
4. from C.C. Burr for a picture called "Pathfinder".

The request of Douglas Fairbanks, Jr. for distribution of a picture was tabled for further consideration.

PASTOR HALL

Mr. Kelly reported that the photoplay "PASTOR HALL" had been contracted for distribution in certain foreign territories.

20TH CENTURY-FOX release

The next matter considered was a proposed form of release submitted by 20th Century-Fox for the old 20th Century pictures. The Board was unwilling to approve the form of release.

CHANGES in Directorate, etc.

The Board authorized Mr. Kelly, in conjunction with counsel, to take whatever action they deem necessary in belligerent countries and in those countries normally supervised by London with respect to changing directors, bank signatories or the transfer of stock certificates.

HART v. UNITED ARTISTS

Mr. Silverstone stated that Miss Pickford wished the Board to consider the question of reopening the Hart suit. Mr. Raftery stated that there were no grounds for reopening at the present time; that one of the plaintiff's witnesses had been indicted, but not convicted, since the trial and evidently this was the reason for Miss Pickford's request. He stated he would follow up the indictment and if there was a conviction, bring the matter back to the Board.

MONTHLY ESTIMATE OF OPERATIONS

Mr. Silverstone submitted to the Board the monthly estimate for operations for the 7-month period ending August 3, 1940.

PRICE, WATERHOUSE & CO. REPORT

The next matter presented to the Board was the Price, Waterhouse & Co. audit for 1939 and the Price, Waterhouse & Co. computation of Producers' Fund. Mr. Silverstone stated that copies would be mailed that day to each of the Directors

and the matter was tabled for the adjourned meeting.

GENERAL MANAGER'S EXPENSE ACCOUNT (California trip)

Mr. Silverstone presented his expense account for his last trip to California and the same was approved.

ANNUAL MEETING

The Secretary was directed to send out notices of the Annual Meeting of Stockholders to be held in November as prescribed in the By Laws.

HAYS ORGANIZATION BILLS

Mr. Muller presented for approval the following Hays Organization items:

Budget Special Legal Account for six months, last half of 1940	$393.75
Smith v. Metro, et al Odom v. Paramount, et al Peck v. Paramount, et al #2138 Peck v. Paramount, et al #2144 Savannah Theatre v. Lucas & Jenkins (Atlanta cases)	612.05
Westway v. Fox et al (Baltimore)	35.64
Pollard v. Maine & N.H. et al (Boston) Millinocket v. Kurson, et al (Bangor) Millet v. Kurson, et al (Bangor) Gorham v. Kurson, et al (Burlington)	95.49
George S. Wright (investigation by Attorney General of Texas)	511.93
United Exhibitors, et al v. Twentieth Century et al (Erie)	71.23
LaCrosse v. Paramount, et al (Madison, Wisc)	70.55
Byers v. Murphy, et al (Roanoke, Va.)	8.35
Bair v. Metro, et al (At Law 9413) Metro, et al v. Bair (In equity 1794)	591.55
Gary v. Columbia, et al Ford v. Paramount, et al	484.02
Adelphia v. Paramount, et al Byers v. Murphy et al (Roanoke)	28.75
Bostwick v. Miller, et al (Ohio tax cases)	195.02

Approval was given.

Upon recommendation of counsel, it was moved and seconded that Loyd Wright be paid a retainer of $1,000. in the United Artists - Colcatta litigation. Carried.

MR. MULLER'S REPORT

Mr. Muller stated that because we received no notices from the State of North Carolina, we did not pay the License Tax for the years 1937, 1938 and 1939 until this year. We then requested our Charlotte attorney, John G. Newitt, to secure a reduction of penalties. He succeeded in having the penalties reduced to $187.50. Mr. Newitt submitted a bill for $550. and Mr. Lawler was successful in having this bill reduced to $450. Approval was given.

Mr. Muller requested that the following resolution be passed so as to comply with the regulations of the Commonwealth of Massachusetts. Therefore, upon motion made, seconded and unanimously adopted it was

> RESOLVED, that the corporation employ Price, Waterhouse & Company of New York City as auditor, pursuant to the provisions of Section 13 of Chapter 181 of General Law, Ter.Ed. of the Commonwealth of Massachusetts.

Mr. Muller stated the following entry was placed upon the books of the corporation as at December 30, 1939;

Debit Provision for Contingencies	$108,000	
Credit Reserve for Contingencies		$108,000

To provide for possible liability for additional income taxes in Great Britain and Canada for the year 1939.

Approval was given.

Mr. Muller reported Mr. O. B. Mantell, the Manager of our Spanish subsidiary has requested a special credit of approximately 70,000 Pesetas because the Spanish subsidiary

is insolvent. Several years ago we granted a special credit to our Czechoslovakian subsidiary to rank after the liabilities of the corporation. Mantell's request is similar to the Czechoslovakian request. Approval was given.

Mr. Muller also reported that the Home Office Account with Samuel Goldwyn, Inc. for rent, telephone, etc. has now reached the sum of $16,741.70 as of September 10, 1940. The unrecouped debit balance on KID FROM SPAIN for producer's share of re-issue prints, etc. amounts to $2,545.12 as at August 24, 1940.

Mr. Muller reported as follows:

We received a Mortgage, Pledge and Assignment dated August 31, 1940 concerning the proceeds of FLOTSAM. Upon approval by counsel we signed the Distributor's Acceptance.

We received a Mortgage, Pledge and Assignment dated August 12, 1940 concerning the proceeds of the Disney pictures. Upon approval by counsel we signed the Distributor's acceptance.

We received a Mortgage, Pledge and Assignment dated June 17, 1940 concerning the proceeds of OUR TOWN and a photoplay to be directed by Ernst Lubitsch. Upon approval by counsel we signed the Distributor's Acceptance.

We received a Chattel Mortgage, Security and Production Agreement dated June 7, 1940 concerning the proceeds of Small pictures. Upon approval by counsel we signed a letter of acceptance.

We received a Mortgage of Chattels, Loan and Security Agreement dated February 27, 1940 concerning the proceeds of Small pictures. Upon approval by counsel we signed the Distributor's Acceptance.

We received a Mortgage of Chattels, Loan and Security Agreement dated April 24, 1940 concerning the proceeds of Roach pictures. Upon approval by counsel we signed the Distributor's Acceptance.

We received from Bank of America, National Trust and Savings Association, London, the following securities:

1,000	shares United Artists (Export) Ltd.
84	" Les Artistes Associes, S.A. (Brussels) (16 bearer certificates held at Guaranty Trust Co. Brussels)
98	shares United Artists A.S. (Copenhagen) (2 shares on deposit at Revisions & Forvaltnings Institutet, Vester Bld. 2, V. Copenhagen)
50	shares A.B. United Artists O.Y. (Helsingfors)
10	" Unartisco S.A. (Geneva)
10	" United Artists (The Hague)
100	" United Artists A.S. (Oslo)
250	" United Artists A.S. (Stockholm)

We received minutes of Meeting of Directors of United Artists Corporation, Ltd. held March 7, 1940.

We received minutes of Meeting of Directors of United Artists Corporation, Ltd. held July 17, 1940.

We received minutes of Meeting held April 30, 1940 of Directors' proxies of United Artists (Australasia) Ltd.

Mr. Emanuel Silverstone called to the attention of the meeting that although he had resigned as a director of the company, he still was a defendant in the Government suit; that the resolution passed at a previous meeting provided that the company would defend the Government suit and furnish counsel without charge to the officer and director-defendants. Upon motion made, seconded and unanimously adopted, it was

> RESOLVED, that the Company defend ex-directors and ex-officers in the same way as the directors and officers.

Counsel stated that he would contact the Government and try and

have Mr. Emanuel Silverstone eliminated as a party defendant.

There being no further business to come before the meeting, it was moved, seconded and adopted that the same be adjourned to Thursday, September 26, 1940 at 10.30 A.M.

Edward C. Kaplan
Secretary

MINUTES OF ADJOURNED REGULAR MEETING OF BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

The Regular Meeting of the Board of Directors of United Artists Corporation reconvened on the 26th day of September, 1940 at 11:00 A.M.

There were present:

Mr. Dennis F. O'Brien
Mr. James Mulvey
Mr. Charles Schwartz
Mr. Herbert D. Maass
Mr. Steven Pallos

There were also present:

Mr. M. Silverstone
Mr. E. Silverstone
Mr. Harry J. Muller
Mr. Arthur W. Kelly
Mr. Edward C. Raftery

Mr. O'Brien continued as Chairman of the meeting and Mr. Raftery continued as Secretary.

SURVEY

The first business to come before the meeting was the question of the survey to be made by Miller, Donaldson & Co. with a view to affecting economies in regard to the general operation of the company. There was a lengthy discussion regarding the question of the survey. It was the recommendation of the General Manager that this firm be engaged due to the fact that he felt the company had been in existence over 20 years and that he personally did not have the time to devote to such a survey as much more important things required his time and attention and that he felt that this firm, because of its experience in the motion picture industry, was qualified to make the

survey. Mr. Pallos wished to be recorded that although his principal, Mr. Korda, did not believe the survey necessary, he felt that he would go along and co-operate in view of the desire of Mr. Maass that the survey be made. Following a general discussion, a motion was made, seconded and unanimously carried that Miller Donaldson & Co. be engaged at a cost not to exceed $15,000 to make a general survey of the affairs of the Domestic operation and the Home Office Foreign Department with a view to affecting economies, wherever practicable, as well as a survey of the general affairs in the Sales Department so as to be in a position to recommend what economies would be practicable in the event the number of pictures to be distributed are less than the number usually distributed by the company, and to make such other and further recommendations as may be practicable in affecting economies throughout the company.

WANGER COMPANY

The next matter discussed was the general situation regarding the Wanger Company, particularly the cost of the motion picture "Foreign Correspondent". Among other things, it was pointed out that there was a vacancy on the Board of the Wanger Company and Mr. Maass was asked to inquire of Miss Pickford if she would be willing to accept a position as a director of this company if elected.

LONDON PAVILION

The next matter discussed was the London Pavilion lease. It was the sense of the meeting not to do anything further about cancelling the lease at this time.

EXCHANGE LEASES

Upon motion duly made, seconded and unanimously

carried that the proper officer of the company be authorized to enter into leases for the Boston Exchange for five (5) years commencing as of May 1, 1940 at $4,500. per year, and lease of the Dallas Exchange commencing on January 1, 1941 for a term of three years, at the rate of $250.00 per month.

DAVID LOEW LOAN

It was moved, seconded and unanimously adopted that the company loan to David Loew a sum of approximately £3,000 for the purpose of purchasing a story in England, the moneys to be repaid out of blocked currency or in American dollars, if blocked currency be not available.

VOTING SHARES OF ENGLISH COMPANY

Mr. Silverstone next reported that the voting shares of the English Company's power to vote was vested in Mr. Jones of Price, Waterhouse & Co. and that notice had been given in writing to Price, Waterhouse not to vote these shares, unless directed to do so by two officers of the Delaware Company or by cable advice from United Artists Corporation of Delaware. This action was approved.

The following matters were tabled until the next regular meeting:

(1) The Consent Decree in the Government suit
(2) The Price, Waterhouse & Co. annual audit for 1939
(3) The Producers' Fund for 1939
(4) Samuel Goldwyn rent and telephone account
(5) The unrecouped debit balance from Samuel Goldwyn, Inc. from KID FROM SPAIN

REQUEST OF LONDON FILMS

The next matter placed before the Board was the request of London Films for the return of the distribution rights on the photoplays CATHERINE THE GREAT, SCARLET PIMPERNEL and SANDERS OF THE RIVER. It was moved, seconded and carried that this

request be granted on condition a general release was secured from London Films releasing the United Artists Corporation from any liability in connection with the distribution of these pictures. On the question, all the Directors voted in the affirmative, except Mr. Mulvey who voted in the negative.

PASTOR HALL

Mr. Raftery asked the meeting to approve his execution of the settlement agreement of the Pastor Hall law suit under the terms of which the United Artists Corporation obligated itself only to pay 5% of Grand National Pictures' share of the proceeds of distribution direct to Olcott, Lynch & Glass, attorneys for the Estate of Ernest Toller. Approval was unanimously given.

HAYS ORGANIZATION

It was the sense of the meeting that if requested by Mr. Will Hays the General Manager should execute a letter extending the corporation's resignation to January 1, 1941.

There being no further business the meeting adjourned.

Edward C. Raftery
Secretary

NOTICE OF REGULAR MONTHLY MEETING

of the

BOARD OF DIRECTORS OF UNITED ARTISTS CORPORATION

PLEASE TAKE NOTICE that the Regular Monthly Meeting of the Board of Directors of United Artists Corporation will be held at the office of the corporation, No. 729 Seventh Avenue, New York, at 2:30 o'clock P. M. on the first day of October, 1940.

Dated, New York, September 26, 1940

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Secretary

NOTICE OF SPECIAL MEETING

Requests having come from some of the Stockholders of UNITED ARTISTS CORPORATION that the Annual Meeting of Shareholders be held at Los Angeles, California, instead of at New York City, a SPECIAL MEETING of the Board of Directors of UNITED ARTISTS CORPORATION is called for Monday, November 4, 1940 at 11 A.M., at 729 Seventh Avenue, New York City for the purpose of considering and passing upon this request.

Dated: October 28, 1940.

Edward L Raftery
Secretary

MINUTES OF SPECIAL MEETING OF BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

November 7, 1940.

Special Meeting of the Board of Directors of United Artists Corporation was held at the office of the corporation at 729 Seventh Avenue, New York City, on the 7th day of November, 1940, at 11:30 a. m.

The following constituting the Board of Directors were present:

Messrs: Dennis F. O'Brien,
James A. Mulvey
Charles Schwartz
Herbert Maass,
Steven Pallos

There were also present:

Messrs.	Maurice Silverstone,	General Manager
	Emanuel Silverstone,	representing Mr. Korda
	Arthur W. Kelly,	Vice-President
	Edward C. Raftery,	Secretary
	Harry J. Muller,	Treasurer

Mr. O'Brien acted as Chairman of the meeting and Mr. Raftery acted as secretary thereof.

1) ODEON:

The first business before the meeting was the discussion of the Odeon situation. The cablegrams from Mr. Guedalla containing a summary of the situation had previously been sent to all of the Directors. Mr. M. Silverstone, Mr. Kelly and Mr. Muller made reports regarding the status of the situation and it was the consensus

of the meeting that if it were possible United Artists Corporation should try to sell its interest in the Odeon Circuit for £300,000.

It was moved by Mr. Schwartz, seconded by Mr. Pallos and unanimously carried,

> RESOLVED that the Treasurer be directed to send a cablegram to Mr. Guedalla instructing him to try to sell if possible the United Artists Corporation interest in the Odeon Circuit for £300,000., and if this were not possible not to consider any proposition from the other side unless it was accompanied by a refinancing plan for Odeon; that the proposition as contained in Mr. Guedalla's cablegram was wholly unacceptable to the Board and that Mr. Guedalla should submit a new proposition as soon as practicable.

2) HAYS-ORGANIZATION PAYMENTS:

The following Hays Organization payments were approved:

a)	Arizona Income Tax Matter (out of pocket expenses of Messrs. Levine, Brown and Owens in appearing before Arizona State Tax Commission at Phoenix) (our share).	$113.89
b)	Millett v. Kurson, et al. (Bangor) Millinocket v. Kurson, et al.(Bangor) Waldo v. Dondis, et al. (Rockland)	388.75
c)	Momand v. T. C.-Fox, et al (#6516) Momand v. Griffith, et al (#6517)(Oklahoma)	16.87
d)	Westway v. Twentieth Century-Fox et al(Baltimore)	387.98
e)	Byers v. Murphy, et al. (Roanoke)	452.03
f)	United States v. Balaban (Chicago)	134.44

3) NEW ORLEANS PERSONAL PROPERTY ASSESSMENT

Mr. Muller reported that New Orleans greatly increased the personal property tax assessment for motion picture films in the exchange for 1939 and 1940. United Artists Corporation and the other five companies involved retained Messrs. Rosen, Kammer,

Wolff and Farrar of New Orleans to contest this assessment. The case was settled and the savings in taxes to United Artists Corporation for the two years were about $3,000. The Rosen firm presented us with a bill of $1,000. Mr. Lawler protested this fee and succeeded in having it reduced to $600. Approval was given.

4) SHARES OF SWEDISH SUBSIDIARY

Mr. Muller reported that due to the completion of the Swedish Reciprocal Taxation Treaty, our attorneys in New York, after correspondence with our attorneys in Sweden, have decided that our Swedish subsidiary should be registered in Sweden as a subsidiary of the Delaware corporation. Accordingly, all shares except four have now been registered in the name of United Artists Corporation as owner.

5) BOMBING OF ODEON THEATRES IN ENGLAND

Mr. M. Silverstone reported regarding the bombing of certain of the Odeon Theatres in England as well as other theatres including the Leicester Square, etc.

6) PURCHASE OF JOHN MAXWELL THEATRES BY ODEON

Mr. M. Silverstone reported regarding the death of John Maxwell and that Odeon had been negotiating to buy John Maxwell's theatres; that instructions had been given to all of the United Artists' Directors of Odeon to protest vigorously and to vote against any such deal.

7) ANNUAL STOCKHOLDERS MEETING

The Secretary reported that a request had come from Miss Pickford and Mr. Korda that the annual stockholders' meeting be convened in New York City on November 12th as scheduled and that it be adjourned to the Ambassador Hotel in Los Angeles, California, to reconvene on the 19th day of November, 1940 so that all of the stockholders could be present either in person or by proxy.

Approval was unanimously given.

8) PRICE WATERHOUSE CO. REPORT ON WANGER CORP.

Mr. M. Silverstone reported that he had the Price, Waterhouse & Co. report on the Walter Wanger Productions Corporation and that it was available for all of the Directors.

A request of electing Mr. Mendel Silberberg to the Board of Directors of the Wanger Corporation was made and it was tabled for the stockholders' meeting.

9) PATRIOTIC FILM ENTITLED "THE LAND OF LIBERTY"

Mr. M. Silverstone reported that all of the eight companies were interested in the patriotic film entitled "THE LAND OF LIBERTY" and it was being put out through the Hays organization and was to be distributed by Metro for a flat fee of $30,000 plus advertising and print charges and each of the companies was to subscribe for any deficit if there were a deficit.

Approval was unanimously given for United Artists' participation in this patriotic film movement.

10) TWO DISTRIBUTION REQUESTS

Mr. M. Silverstone reported that he had turned down two distribution requests which were as follows:

1) From Father Maguire for a story based on the Life of Father Baker;

2) From Jess Smith for a version of "THE SPOILERS"

11) RE: "PEPE LE MOKO"

The action of the officers in permitting the distribution of "PEPE LE MOKO", a French version of "Algiers" by the Wanger Corporation through other distribution sources was unanimously approved.

12) CHANGE IN PERSONNEL

Mr. M. Silverstone announced the appointment of Mr. Arthur W. Kelly as Vice-President in charge of Domestic Distribution and of Mr. Walter Gould as Acting Head of the Foreign Department.

Approval of these appointments was unanimously given by the Board.

13) NEW MONETARY AGREEMENT-ENGLAND

Mr. M. Silverstone reported that negotiations were pending now between the American Embassy and the British Government for a new monetary agreement. That Mr. Kennedy had told him that he was not satisfied as yet as to the amount of money the British Government was willing to permit the American companies to withdraw from England which at the present time would be $12,000,000 for next year.

14) FORTUNE MAGAZINE ARTICLE

Mr. James Mulvey brought up the question of the article to be scheduled to appear in Fortune Magazine regarding the United Artists Corporation and its members. Mr. M. Silverstone and Mr. Raftery explained their conferences with representatives of Fortune Magazine, of their various protests to Fortune Magazine both orally and in writing against the publication of any article about the United Artists Corporation at this time; that the representatives of Fortune claimed they had received their material from sources other than the United Artists' representatives and that they considered their sources authentic and they intended to print the article irrespective; that letters of protest were sent to Fortune Magazine by Dennis F. O'Brien, as General Counsel, by Mr. Raftery, by Mr. M. Silverstone and by Mr. Charles Schwartz; that inaccuracies in the article had been pointed out to Fortune's representatives and to Fortune's counsel but they insisted upon publishing the article anyway; that many of the objectionable references had been removed but the representatives of the United Artists still felt that the article should not be published in any form.

15) CANADIAN CHARITABLE REQUESTS

Mr. M. Silverstone asked approval of Canadian charitable requests not to exceed $750 in total.

Approval was unanimously given.

16) VOTING STOCK OF ENGLISH CORPORATION

Mr. Muller reported that instructions had been given to Price, Waterhouse & Co. in regard to voting stock of the English corporation.

17) SWEDISH CORPORATION MINUTES

Mr. Muller reported that minutes of the meeting of the Swedish Corporation had been received and were available for inspection.

There being no further business before the meeting, the meeting upon motion duly adjourned.

Edward C. Raftery, Secretary of Meeting

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS OF

UNITED ARTISTS CORPORATION

PLEASE TAKE NOTICE that the annual meeting of stockholders of UNITED ARTISTS CORPORATION will be held on Tuesday, November 12, 1940, at 3:00 o'clock in the afternoon, at the offices of the Corporation, 729 Seventh Avenue, New York, New York, pursuant to Article III, Section 1, of the By-Laws of the Corporation.

Dated: New York, October 1, 1940.

Edward C. Raftery

Secretary

MINUTES OF ANNUAL MEETING OF STOCKHOLDERS

-of-

UNITED ARTISTS CORPORATION

Pursuant to notice, the Annual Meeting of Stockholders of the United Artists Corporation convened on Tuesday, November 12, 1940 at 3 o'clock in the afternoon, at the office of the corporation, 729 Seventh Avenue, New York City, N. Y.

There being no quorum present, and with the unanimous consent of all of the Stockholders, the meeting was duly adjourned to reconvene at the Colonial Room of the Ambassador Hotel, Los Angeles, California, on the 19th day of November, 1940 at 3 P.M.

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Secretary

Alexander Korda Films, Inc.
1040 NORTH LAS PALMAS AVENUE
HOLLYWOOD, CALIFORNIA

Telephone
GRanite 3111

October 23, 1940

Mr. E. C. Raftery
O'Brien, Driscoll & Raftery
152 West 42nd Street
New York City, N. Y.

Dear Mr. Raftery:

Inasmuch as it is impossible for me to attend the Annual Meeting of the stockholders of United Artists Corporation which has been called for 3 P.M. on the second Tuesday of November 1940, I hereby authorize Mr. Steven Pallos to vote my stock at said annual meeting and to act on my behalf and that of London Films Inc. in connection with any business that comes before said meeting.

Very truly yours,

ALEXANDER KORDA

ALEXANDER KORDA
LONDON FILMS INC.

cc-Mr. Steven Pallos

We appoint George Baynall
our proxy at the
United States Corporation
adjourned stockholders
annual meeting
dated Nov 22, 1940.
London Films
By [illegible]
Witness
[illegible]
[illegible]

PROXY

The undersigned shareholder of UNITED ARTISTS CORPORATION, a Delaware corporation, hereby nominates, constitutes and appoints James A. Mulvey the lawful attorney and proxy of the undersigned, with full power of substitution and revocation, for and in the name place and stead of the undersigned to attend the annual meeting of shareholders of said corporation to be held on November 12th, 1940, and all adjournments thereof, and at said meeting and all adjournments thereof to vote the shares of stock of said corporation standing in the name of the undersigned, upon any and all questions which may come before such meeting or adjourned meetings, with the same force and effect as if the undersigned were personally present and voting, hereby ratifying and confirming all that my said attorney or proxy may do by virtue hereof.

The undersigned hereby revokes any proxy or proxies heretofore given to vote upon or act with respect to such stock.

Witness the hand and seal of the undersigned this 16th day of October, 1940.

Samuel Goldwyn Jr.

WITNESS:

John P. Hutchins

PROXY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, CHARLES CHAPLIN, holder of four thousand (4,000) shares of stock of UNITED ARTISTS CORPORATION, a corporation of the State of Delaware, does hereby appoint CHARLES SCHWARTZ, his true and lawful attorney with full power of substitution and revocation, for him and in his name to vote as his proxy upon all of the stock held by him in the United Artists Corporation to be held on the 12th day of November, 1940 at 3:00 P.M. and at any adjourned meetings thereof; hereby ratifying and confirming all that said attorney may lawfully do in the premises.

WITNESS the execution of this proxy by the said CHARLES CHAPLIN this 6th day of November, 1940.

Charles Chaplin

Sign Charles Chaplin

Charles Chaplin

MINUTES OF THE ADJOURNED ANNUAL MEETING OF STOCKHOLDERS

-of-

UNITED ARTISTS CORPORATION

The adjourned Annual Meeting of the Stockholders of the United Artists Corporation was held in the Colonial Room of the Ambassador Hotel, Los Angeles, California, on the 19th day of November, 1940 at 3 P. M.

The Secretary of the company examined the proxies and reported that all of the stockholders were present, either in person or by proxy:

The Pickford Corporation
by Loyd Wright, Proxy

The Elton Corporation
by Harry Bardt, Proxy

Charles Chaplin
by Charles Schwartz, Proxy

Samuel Goldwyn
by James Mulvey, Proxy

London Films and Alexander Korda, by
Alexander Korda, individually and
as proxy.

There were also present:

Mr. George Bagnoll
Mr. Mendell Silverberg, associates or
representatives of Mr. Korda
Mr. Maurice Silverstone, General Manager
Mr. Edward C. Raftery, Secretary of the
corporation.

Upon motion duly made, seconded and unanimously carried, Mr. Maurice Silverstone was elected Chairman of the

meeting and Mr. Edward C. Raftery acted as Secretary of the meeting.

It was moved, seconded and unanimously adopted that the reading of the Minutes of the last meeting of Stockholders be dispensed with in view of the fact that copies of the minutes had been sent to all stockholders.

The first business before the meeting was the election of Directors for the ensuing year.

Upon motion duly made, seconded and unanimously adopted, it was

RESOLVED that the following be elected as Directors of the corporation for the ensuing year:

Dennis F. O'Brien
James Mulvey
Charles Schwartz
Herbert H. Maass
Steven Pallos

Upon motion duly made, seconded and unanimously adopted, the following were elected officers of the corporation to hold office for the ensuing year or until such time as the Board of Directors may determine otherwise:

Harry D. Buckley, Vice President
Arthur W. Kelly, Vice President
Harry Gold, Vice President
Harry J. Muller, Treasurer
Edward C. Raftery, Secretary
Paul D. O'Brien, Assistant Secretary
Harry J. Muller, Assistant Secretary
N. A. Thompson, Assistant Treasurer

The next business before the meeting were the reports of officers.

The General Manager asked the stockholders to confirm his action in accepting the resignation of Mr. Lynn Farnol as

Advertising Manager and Publicity Head of the company upon the following terms and conditions as embodied in a letter from Mr. Farnol to Mr. Silverstone, dated November 15, 1940:

(a) That the resignation be effective as of January 1, 1941;

(b) That Mr. Farnol be paid full salary until January 1, 1941;

(c) That Mr. Farnol be paid half salary from January 1, 1941 until termination of his contract which is approximately July 1, 1941.

Approval was unanimously given.

The General Manager continued to make his report to the Stockholders and at 6.10 P.M., while the General Manager was making his report, the meeting was adjourned to Saturday, November 23rd, 1940, to reconvene at 9:00 A.M., at the same place.

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Secretary

MINUTES OF THE ADJOURNED ANNUAL MEETING OF STOCKHOLDERS

-of-

UNITED ARTISTS CORPORATION

The Annual Meeting of Stockholders of the United Artists Corporation reconvened in Room 171, Ambassador Hotel, Los Angeles, California at 9:00 A.M. on Saturday, November 23, 1940.

The following stockholders were present, either in person or by proxy:

Alexander Korda and London Films by
George Bagnoll, proxy

Samuel Goldwyn by
James Mulvey, proxy

The Elton Corporation by
Harry Bardt, proxy

The Pickford Corporation by
Loyd Wright, proxy

Charles Chaplin by
Charles Schwartz, proxy

There were also present:

Mr. Maurice Silverstone, General Manager of the corporation

Mr. Edward C. Raftery, Secretary of the corporation.

Mr. Silverstone continued as Chairman and Mr. Raftery as Secretary.

The General Manager reported that he had delivered, prior to the meeting, to representatives of each of the stockholders a written report of the affairs of the company, to-

gether with the exhibits referred to in the report, which had been prepared by the fiscal offices of the company, together with photostatic copy of a report from the Walter Wanger Company and the exhibit attached to that report.

There then followed a lengthy discussion of the various items contained in the report.

In connection with the Wanger Company, the question regarding the waiver of dividends on the preferred stock, fixing of Mr. Wanger's salary and the vacancy in the Board, upon motion made, seconded and unanimously adopted these matters were referred to the Board of Directors.

Mr. Silverstone then explained to the Stockholders that, in his opinion, it was essential that the company become interested in the creation and formation of a finance company which would aid and assist producers in the financing of their productions; that he felt it would be necessary for the United Artists Corporation to participate and invest in a finance company, and, if necessary, to interest the proper amount of capital to make the finance company a strong working unit. It was the sense of the Stockholders that the General Manager continue his efforts to have a finance company to aid and assist all producers.

It was moved by Mr. Wright, and seconded by Mr. Schwartz, that the fiscal officers of the company, as soon as practical, advise how much of the estimated profits represents unfrozen dollars.

There then followed a long discussion regarding the

Odeon situation.

In the course of the discussion, Mr. Raftery supplemented the General Manager's written and oral report by advising the stockholders of the exchange of cablegrams between Mr. Raftery and Mr. Guedalla and Mr. Muller and Mr. Guedalla since the General Manager had been on the Coast, that every effort was being made by Mr. Guedalla to sell the interests of United Artists and the Odeon Circuit for £300,000, if possible, and that if such a sale could not be made that he secure from Mr. Deutsch or his associates a full refinancing plan, together with Deutsch's complete proposal. It was also reported to the meeting that Mr. Deutsch had tendered his resignation as a member of the Board of United Artists, Ltd. and that direction was given to the English company to accept his resignation forthwith.

There then followed a long discussion regarding the tentative balance sheet and the other exhibits attached to Mr. Silverstone's report. During the discussion the question of possible economies in operation came up and the General Manager again referred to the Miller, Donaldson survey more particularly referred to in the written report.

The General Manager reported to the meeting that he had been negotiating with various producers of quality pictures with a view to securing new product. Among others, he reported he had been negotiating with Mr. John Stahl and with Messrs. Towne & Baker.

The General Manager in his written report referred

to the fact that he had been, for some time, discussing with a number of the producers the formation of a producers' committee which would work with the management and the Board of Directors with a view to solving the many problems that confront the entire motion picture industry today and particularly the problems created by the war and by the introduction into the business of the consent decree which the so-called "Big Five" have entered into with the Government. Mr. Wright moved, Mr. Bardt seconded and the following motion was unanimously adopted: that it was the sense of the stockholders that the General Manager continue his efforts with the producers with a view that the producers create among themselves a committee or committees which will co-operate with and work with the General Manager and the Board of Directors with a view to solving the various problems that may arise in the operation of the Company insofar as they apply to the distribution and exploitation of pictures.

The General Manager was asked by the stockholders to secure from the fiscal offices of the Company and to deliver to each of the stockholders a 46-week domestic expense report.

The fact that the producers' fund expires with the calendar year of 1940 was brought to the attention of the stockholders and each of the proxies present agreed to discuss this question individually with the stockholder and report to the General Manager the views of each stockholder. On motion made and seconded it was resolved that the matter be referred to the Board of Directors for consideration.

The Secretary reported to the meeting that Mr. Silver-

stone had delivered to him a copy of the various documents which had been delivered to each of the stockholders and that he in turn would file same with the Treasurer of the Company at the home office.

There being no further business before the meeting, at 11.50 a.m. it was moved, seconded and unanimously adopted that the meeting adjourn.

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Secretary.

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

The Regular Meeting of the Board of Directors of United Artists Corporation was held on the 12th day of December, 1940 at 10.30A.M.

There were present:

Mr. Dennis F. O'Brien
Mr. James Mulvey
Mr. Charles Schwartz
Mr. Herbert D. Maass
Mr. Steven Pallos

There were also present:

Mr. M. Silverstone
Mr. Arthur W. Kelly
Mr. Harry J. Muller
Mr. Edward C. Raftery

Mr. O'Brien acted as Chairman of the meeting and Mr. Raftery acted as Secretary.

LOANS

The first business to come before the meeting was to ratify a loan made to Mr. James Roosevelt and Globe Productions of $19,650.13, being a first lien on Roosevelt's share of "PASTOR HALL" receipts and a subordinate lien on "POT OF GOLD". On motion duly made, seconded and adopted said loan was duly ratified.

BONUSES

The General Manager asked that the Board ratify the giving of Christmas bonuses to the employees of the British subsidiaries - both United Artists Ltd. and United Artists Export, including employees in the Military service.

On motion duly made, seconded and unanimously adopted said action of the General Manager was ratified.

LYNN FARNOL

The action of the General Manager in settling the unexpired contract of Lynn Farnol was unanimously approved.

VACANCY ON BOARD - UNITED ARTISTS LTD.

It was determined not to fill the vacancy on the Board of Directors of United Artists Ltd. caused by the resignation of Oscar Deutsch and the question of Mr. Silverstone appointing an alternate Director for him on the Board of the English and Export companies was deferred.

GOLDWYN

The Secretary brought to the notice of the meeting that he had received two letters from Mr. James Mulvey criticizing the minutes of (1) Directors meeting of November 7, 1940, and (2) the Stockholders meeting of November 19, 1940. It was directed that copies of these letters, together with the Secretary's reply be sent to each of the Directors.

Mr. Mulvey moved that copies of his letters be attached to the minutes of the meeting. There being no second, the motion was declared lost.

ODEON

The Odeon situation was next discussed and Mr. Muller reported regarding the various documents and reports received from Odeon and he was directed to have photostats of each of the reports made and sent to each of the Directors. The Secretary and Treasurer were directed to prepare a cablegram to Mr. Guedalla setting forth the decision of the Directors regarding the proposed settlement of the differences between the Deutsch interests

and the United Artists interests in the Odeon Cinema Holdings Corporation, and the Odeon matter was tabled until the adjourned meeting.

EDWARD SMALL

Edward Small's request for distribution of a British picture entitled "Poison Pen" was table to give the Directors an opportunity to screen the picture.

DISTRIBUTION REQUESTS

The General Manager reported that he had turned down the following requests for distribution:

1) Karl Endon for a musical feature
2) Jess Kreuger for a series of pictures
3) A. C. Pillsbury for a series of shorts

HAYS ORGANIZATION

The question of continuing in the Hays Organization was tabled for the next meeting.

LEASES

The following leases were unanimously approved:

(a) St. Louis Exchange at $250. a month for 5 years
(b) New York Warehouse for one year
(c) New York Exchange for three years

The following matters were tabled for the next meeting:

a) All matters regarding Wanger
b) Producers' Fund
c) "Conquest of the Air"
d) General Manager's expenses for trip to California

BONUSES - Foreign Department and Japan

Bonuses for the Foreign Department and for Japan - It was determined to pay the same bonus as last year in these two situations, out of currency of the country where the bonuses are to be paid.

Payment regarding drafted employees was left to the

General Manager, but to report periodically to the Directors regarding each case.

REPORT OF GENERAL MANAGER

It was moved, seconded and unanimously adopted that the General Manager's report to the Stockholders be filed with and made a part of this meeting.

HAYS ORGANIZATION PAYMENTS

The following Hays payments were approved:

Johnson & Hartman v. Minnesota Amusement Company et al (Sioux Falls, So.Dakota)	$236.25
Apollo v. Warner Bros. et al (Indianapolis)	251.23
Atlanta Personal Property Tax Assessment	40.89
~~LaCrosse v. Paramount et al (Madison, Wisc.)~~	~~279.58~~
Folley v. Randforce et al (New York)	22.65
Pollard, Gorham, Millett, Millinocket	733.33
Fried v. Warner Bros. (Phila.)	
Gittone v. " " "	1540.94
U.S. v. Balaban	24.05
Whittaker v. Vitagraph (Salt Lake City)	62.86

The meeting was duly adjourned to Monday, December 16, 1940 at 10 A.M.

Secretary

MINUTES OF RECONVENED MEETING OF BOARD OF DIRECTORS

-of-

UNITED ARTISTS CORPORATION

The Regular Meeting of the Board of Directors of United Artists Corporation reconvened on Monday, December 16, 1940 at 10 A.M.

Mr. O'Brien continued as Chairman and Mr. Raftery continued as Secretary.

There were present:

Mr. Dennis F. O'Brien
Mr. James Mulvey
Mr. Charles Schwartz
Mr. Herbert D. Maass
Mr. Steven Pallos

There were also present:

Mr. M. Silverstone
Mr. Arthur W. Kelly
Mr. Harry J. Muller
Mr. Edward C. Raftery

EDWARD SMALL REQUEST

The question of the release of Edward Small re the British picture "Poison Pen" was again tabled until the picture could be screened for the Directors.

GENERAL MANAGER'S EXPENSE ACCOUNT

The General Manager's expense account for trip to California was unanimously approved. Mr. Mulvey asked to be recorded as protesting the corporation's paying Mr. Schwartz' expenses to California in connection with the Annual Meeting. The General Manager stated that the corporation paid the expenses because he personally had requested Mr. Schwartz' presence in California on matters not connected with

the Annual Meeting, but wholly connected with the affairs of the corporation.

HAYS ORGANIZATION

It was voted to postpone our date of resignation from the Hays Organization until April 1, 1941. The General Manager made a report of the contract between the Hays Organization and Mr. Will Hays.

The following matters were tabled until the adjourned meeting:

(a) All matters regarding the Wanger company
(b) "Conquest of the Air"
(c) "New Wine"

TRAFALGAR FILMS REQUEST

A request from Trafalgar Films for the return of the following pictures:

"Dreaming Lips"
"Love from A Stranger"

was unanimously passed, provided a general release was secured from Trafalgar Films.

BONUSES

On motion duly made, seconded and unanimously adopted, it was RESOLVED to pay Christmas bonuses to the employees located in the United States and Canada in an amount not to exceed $15,000. over all, the General Manager to work out the details.

COPYRIGHT PROTECTION BUREAU

The Copyright Protection Bureau payments were approved for the next year.

ODEON

The answers to cables sent by Guedella, together with an interim reply and a final cable from Guedalla setting up the proposed settlement were read to the meeting. The Secretary was directed to prepare and send the following cables to Mr. Guedalla:

December 17, 1940

FLORANCE GUEDALLA
7 PARKCRESCENT
PORTLAND PLACE
LONDON (ENGLAND)

DELAWARE DIRECTORS APPROVE PROPOSED SETTLEMENT CONTAINED YOUR CABLE WITH ONE EXCEPTION WILL NOT GRANT OPTION OF TEN THOUSAND SHARES OF HOLDINGS COMPANY STOP SETTLEMENT SHOULD COMPREHEND COMPLETE MUTUAL EXCHANGE OF RELEASES UNITED AND DEUTSCH GROUP AND NO FURTHER ASSERTION OF CLAIMS FOR DIRECTORS FEES OR OTHER COMPENSATION FOR ANYONE CONNECTED WITH COMPANY OR SUBSIDIARIES STOP NO ASSERTION OF CLAIMS FOR REFUND TAXES ON PAST DIRECTORS FEES OR OTHER COMPENSATIONS ALSO FULL RELEASE AND DISCHARGE REGARDS

MURRAY SILVERSTONE

December 17, 1940

FLORANCE GUEDALLA
7 PARKCRESCENT
PORTLAND PLACE
LONDON (ENGLAND)

FOR YOUR PRIVATE INFORMATION AND FOR NEGOTIATION PURPOSES IF YOU CANNOT SECURE DEUTSCHS APPROVAL OF PROPOSAL OUR OTHER CABLE DELAWARE DIRECTORS WOULD APPROVE YOUR AGREEING THAT DEUTSCH GROUP RECEIVE DIVIDENDS ON 60% OF STOCK OF HOLDINGS AND UNITED 40% AS LONG AS UNITED AND DEUTSCH GROUP ARE IN EQUAL OWNERSHIP OF COMPANY STOP DIRECTORS FEEL THAT IF WE CONCEDE THIS POINT PURCHASE PRICE ON PREFERENCE SHARES TO BE PURCHASED SHOULD BE AT PAR INSTEAD OF A PREMIUM STOP CABLE STRAIGHT MESSAGE YOUR ANSWER TO BOTH MY CABLES REGARDS

MURRAY SILVERSTONE

The meeting was duly adjourned to Monday, December 23, 1940 at 4 P.M.

Secretary

MINUTES OF ADJOURNED MEETING OF BOARD OF DIRECTORS

of

UNITED ARTISTS CORPORATION

The Adjourned Meeting of the Board of Directors of United Artists Corporation reconvened on Monday, December 23, 1940 at 4 P.M.

There were present:

Mr. Dennis F. O'Brien
Mr. Charles Schwartz
Mr. James Mulvey
Mr. Herbert D. Maass
Mr. Steven Pallos

There were also present:

Mr. Murray Silverstone, General Manager of the Company
Mr. Arthur W. Kelly, Vice President
Mr. Harry Muller, Treasurer
Mr. Edward C. Raftery, Secretary

Mr. O'Brien continued as Chairman of the meeting and Mr. Raftery acted as Secretary.

On motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Treasurer of the Company be and he hereby is authorized to write off an additional sum of Five Hundred Thousand ($500,000) Dollars out of the surplus of the Company in the value of the stock investment of the Company in the Walter Wanger Productions, Inc. and make the proper entries in the books of account of the Company which reflect such write-off.

Other questions regarding the Wanger Company were tabled for the next meeting.

The question of Christmas bonuses to employees

of the foreign field, excluding those areas taken care of at a previous meeting, was next considered, and it was the consensus of opinion of all the directors that an amount not to exceed Twenty-five Hundred ($2500) Dollars total, should be distributed to employees in the foreign field, according to the judgment of the General Manager and Mr. Walter Gould, the foreign manager.

The next matter brought before the meeting was the request for distribution by Gloria Pictures Corporation of the picture to be produced by Dr. William Sekely, entitled "NEW WINE" and featuring Ilona Massey. The General Manager recommended making the necessary arrangements.

On motion made and seconded, it was

RESOLVED, that the proper officers of the Company enter into a distribution agreement with Gloria Pictures Corporation for the distribution of said picture "NEW WINE" worldwide.

Four of the directors voted in the affirmative and Mr. Mulvey voted in the negative, and the motion was declared carried.

The next matter brought before the meeting was the Odeon situation. A long discussion followed and it was the sense of the meeting that a cablegram be sent to Mr. Guedalla restating the Company's unwillingness to give the option on the 10% of the Odeon stock, but would favorably consider a proposition to divide the earnings 60/40, even though the stock ownership was only 50/50.

The question of "CONQUEST OF THE AIR" was brought before the meeting and tabled.

Mr. Muller brought to the attention of the meeting the resolution required by the U. S. Customs Service, and

> WHEREAS, it is convenient and often necessary to issue power of attorney for the transaction of the customs business of the company:
>
> NOW, THEREFORE, BE IT RESOLVED that any Vice President of the United Artists Corporation be, and any of them are hereby authorized severally on behalf of said company to execute such powers as may be necessary and convenient to transact the business of the company with Collectors of Customs, including authority to execute owner's or consignee's declarations provided for in section 485 (d), Tariff Act of 1930 and Section 485 (f), Tariff Act of 1930, as amended, and the company hereby ratifies and confirms whatsoever the said persons, or any of them, may lawfully do by virtue of the authority herein granted to them.

Upon motion duly made, seconded and unanimously carried the foregoing resolution was adopted.

The next matter brought before the meeting was the question of the advisability of the directors making a trip to California in January. Mr. Maass stated that it was his conviction that if the directors and the General Manager were to go to California and meet with the various producers that many of the problems of the Company could be solved. It was the general feeling of several of the directors present that the plan was a good plan and should be adopted. Some of the directors asked for time to consult with the stockholders as to the advisability of such a trip. No formal action was taken by the Board, although it was the sense of some of the directors that such a plan was not without merit.

The meeting was adjourned to Thursday, December 26, 1940 at 4 P. M.

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Secretary

MINUTES OF ADJOURNED MEETING OF BOARD OF DIRECTORS

OF

UNITED ARTISTS CORPORATION

Due to lack of quorum, no meeting was held on Thursday, December 26th, 1940 and the same was adjourned to Tuesday, January 14, 1941 at 10 A.M.

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Secretary

THE LOS ANGELES
AMBASSADOR
CALIFORNIA

November 22nd, 1940

Mr. Edward C. Raftery, Secretary,
United Artists Corporation,
c/o Ambassador Hotel,
Los Angeles, Calif.

Dear Ed:

In accordance with the request made at the opening meeting of the stockholders on November 19th, I have today sent my report to each of the following:

Mary Pickford
Harry Bardt
Charles Chaplin
Semuel Goldwyn
Alexander Korda

I likewise enclose a copy herewith for you.

Sincerely,

M. Silverstone

MS:GF
Encl.

SOUTHERN CALIFORNIA
ALL-WINTER SUN FESTIVAL

UNITED ARTISTS CORPORATION

Report

To the Stockholders

From the General Manager

Ambassador Hotel,
Los Angeles, California,
November 20th, 1940

As requested by you, the following report on the affairs of the company is herewith submitted to you.

It has always been the custom and practice of the chief executive officer from the formation of the company to give his report verbally, not only at the annual meeting of the stockholders but at all meetings of the directors, as well as informally to representatives of the stockholders during the interval between meetings. Had I known sooner a written report was preferred, it would have given me the necessary time to make a comprehensive resume in the fullest detail on the several matters that have transpired since the last meeting. Any such detailed report would have been a recapitulation of data and information regularly furnished to the directors and with which they are thoroughly familiar, as they are with the contents of this report.

I would also like to point out that the Minutes of the directors' meetings, copies of which are furnished to each Director and stockholder of the company, show the great detail of the reports made by me to the directors and through them to the stockholders at the monthly meetings, and accordingly each stockholder should attach to this memorandum the Minutes of the Board meetings and consider such Minutes as part of and in conjunction with this report.

1. Balance sheet.

Attached hereto is copy of a tentative balance sheet just received from our treasurer, Mr. Harry Muller, setting forth the assets and liabilities of the Corporation as at June 29th, 1940.

I desire to make the following comments in connection therewith:

(a) Odeon

This asset is carried on our balance sheet in the amount of $356,836.93 (although the sums paid for this investment were eventually made in English pounds). It will be remembered that in the spring of 1938 all the stockholders except Mr. Chaplin were then in England and at a meeting held in Mr. Deutsch's office at which they were present, together with David Rose, Mr. Raftery and myself, a complete vote of confidence was given to Mr. Deutsch by our stockholders present. In addition, Mr. Deutsch's powers were by resolution of the O.C.H. Board and with the approval of the four stockholders, were actually increased. As the stockholders know, we had been trying prior to that date to obtain from Mr. Deutsch a balance sheet of the affairs of the Odeon Company, which efforts on our part to obtain such balance sheet continued regularly after the meeting referred to. I brought to the attention of our Board of Directors regularly all correspondence exchanged between London and ourselves on this subject, and the Minutes express this. Likewise there was placed at the disposal of each director, as he knew, the file of the Odeon correspondence and there was prepared and sent to each director a resume of the Odeon position as known to us from correspondence received from our London office.

It had been the intention to send someone over to London to deal with the matter directly, but unfortunately the war prevented us. Conditions in England, caused largely by the closing of theatres and impairment of attendance because of bombings, have naturally had an effect upon the operations and business of the Public Company and upon the financial condition of both the Holding and Public Companies. Because of the involved financial condition of the Holding Company, the demands of Deutsch and his group, the inability to secure proper audited and certified accounts and balance sheets of the Holding Company and generally the present unsettled conditions, it was felt that it would be in the best interests of our company to endeavour to sell our equity in the Holding and Public Companies. It appears that Mr. Deutsch had cabled to Mr. Korda saying that because of the differences existing between us and our inability to get together, it would perhaps be better if United Artists would consider selling. In view of this initiative

taken by Mr. Deutsch we took up the matter. We discussed the idea of selling and accordingly a cable was sent by us to London saying that we would prefer to sell and naming therein the price of £300,000. Or, alternately, in the event of our being unable to get this price we were prepared to consider a fair and equitable settlement between the Deutsch interests and ourselves, but only upon the basis of a firm and definite commitment to be procured by Deutsch to refinance the Odeon group. Our representatives in London were authorized to take such steps as they thought necessary, including legal action, to protect our interests.

The Odeon Public Company had been doing well up to the commencement of the recent bombings on London. One cannot forsee just what effect the war will have on the ultimate future of the Odeon Company, as it obviously depends on what damage is done to the theatres, also whether there will be a moratorium on indebtedness created by the difficulties of operation because of the bombings, likewise whether provision will be made by the Government or insurance bodies for the rebuilding of theatres bombed and, most important of all, the outcome of the war itself.

(b) The Wanger Company.

Attached hereto is a letter from Mr. Clarence Ericksen to me dated November 18th, 1940, together with the schedules and statements referred to therein, outlining the status of the Wanger Company to date. Mr. Ericksen in this report has selected the figure of $250,000. as the amount of possible dollar recoupment of the Wanger Company from England. I feel this figure is the best guess at this time although this is contingent upon (1) a new Embassy monetary agreement being made, (2) business in England maintaining the level existing prior to the recent Midland bombings, and (3) the reception of the pictures themselves in British theatres. It obviously follows that if the public should not attend picture theatres in England because of air raids, the business on all pictures, including Mr. Wanger's, would be seriously adversely affected.

Mr. Bricksen's report is not an audited statement and we must await the close of the Wanger Company's fiscal year to secure a Price, Waterhouse audited statement. However, the appropriate thing to do, in my opinion, is to write off an additional $500,000. so that the total write-off on the Wanger investment will be $1,000,000. From present indications this appears to be the shrinkage in our investment in such company, if we disregard completely the frozen funds of the Wanger Company that are being held abroad, the bulk thereof being in England. If these frozen funds were available for transmission to this country, the Wanger Company's capital would be practically unimpaired.

This additional sum of $500,000. should be written off in our 1940 accounts.

In connection with Mr. Bricksen's letter and schedules attached, it will be likewise noted that since the inception of the Wanger agreement, the pictures actually delivered thereunder will have an estimated gross of approximately $17,500,000., our distribution share of which will be approximately $4,700,000.

There is at present a vacancy in the Board of Directors of the Wanger Company created by the resignation of Mr. Mulvey. We have the right to designate his successor.

There are two other matters to be dealt with.

We have exercised our option to extend Mr. Wanger's personal employment contract with the Wanger Company for a further period of five years commending July, 1941. He has the right to require arbitration of the weekly compensation to be paid him during this extended period, which compensation is, in any event, to be no less than his present weekly compensation of $2,500. In view of unsettled world conditions affecting his company, Mr. Wanger believes that now is not the time to fix any definite amount for the second five-year period of this agreement, and he would prefer to wait until such time as world conditions become more normal.

The other matter to be dealt with is that relating to the disposition of the accumulation of unpaid dividends on the preferred stock of the Wanger Company. Mr. Wanger has requested that we waive such dividends and he will also waive such accumulation on his own preferred stock. The total accumulation on the entire preferred stock exceeds $300,000.

I have given careful consideration to this request and it is my best judgment that we meet Mr. Wanger's desire and I so recommend.

Regarding the future plans of the Wanger Company, the Company has sufficient funds and sufficient borrowing capacity with which to make three pictures for the season 1941-42. This means that the Wanger Company will have a period of about eighteen months to make these pictures. The production, however, of three pictures will depend upon the ability of the Company to secure advantageous setups. If not, a lesser number will be made.

(c) Joseph M. Schenck's life insurance policies.

The total insurance amounts to $1,000,000. The present surrender value, as stated in Mr. Muller's report, is $228,312.25. The Board of Directors has resolved that the insurance should be maintained and continued.

(d) Asset position of each year from 1936 to 1939 inclusive.

It may be of interest to the stockholders to review the asset position of the Company for the above mentioned period, and accordingly there is attached herewith a schedule of the same prepared by the treasurer. To summarize this statement it will be noted that during this period (i.e. prior to January 1st, 1940) there have been either paid out in cash, or reserves set up for such liabilities:-

Dividends (excluding London Films) -	$1,200,000.
Settlement of Hart & Hughes lawsuits and Giannini's contract, approximately -	540,000.
Reduction in distribution terms in Great Britain and Canada and including producers' fund for 1938, 1939 (and including Goldwyn's possible participation in the producers' fund and including part of producers' fund payable in pounds) - approximately	1,000,000.

2. Operations for 1939.

Since the last stockholders' meeting, Price, Waterhouse & Co. have rendered their report on the operations of the Corporation for 1939, as well as their report on the producers' fund, copies of which have been sent to the Directors and through them to the stockholders. The profits for 1939, after taking into account taxes and the producers' fund, were $445,382.20.

The total amount available for payment under the producers' fund for 1939 operations was $87,991.42 in United States currency and £33,081.13.10 in English currency, which for convenience only was converted into $133,153.81 by Price, Waterhouse & Co., making the total sum available under the producers' fund equivalent to $221,145.23.

3. Survey of the Company's method of operations.

With the approval of the Board of Directors, I engaged the services of the firm of Millar, Donaldson & Company to make a survey of the operating expenses of the Company with a view to their making such recommendations as they thought feasible for the curtailment of expenses and the simplification of the method of operation. It obviously followed that it was impossible for me, without neglecting my other duties, to personally devote the necessary time to conduct such a survey as it would have meant practically giving all my time to it for many months. Therefore Millar, Donaldson were engaged, they being auditors of the Loew Company. One of the added things I requested them to look into was to give me their views as to how we could reduce our organization, including sales personnel, in the event of the Company having only a limited number of pictures.

They have given an interim report classifying the number of people engaged in each salary group, copies of which interim report were placed at the disposal of the directors. We are awaiting this report so as to get the benefit of the experienced analysis of Millar, Donaldson in order that we may be in a position to know whether further economies can be made without affecting or impairing the efficiency of the organization.

In connection with the world-wide expenses of the Company, the following figures furnished to me by our treasurer, will be of interest to the stockholders:-

During the calendar year 1938	-	$7,017,604.23
During the calendar year 1939	-	6,265,003.07
During the calendar year 1940 (first 26 weeks estimated $2,807,381. and balance of year pro-rata)	-	5,614,762.00

You will note that such expenditures for the year 1939 were approximately $750,000. less than those for 1938 and that those for the year 1940 will be approximately $650,000. less than those for the year 1939. Part of such reduction in expenditures was caused by fluctuations in exchange.

4. Operations of 1940.

Attached herewith is statement prepared by Mr. Muller, our treasurer, together with covering letter to me, dated November 20th, 1940, giving a brief summary of his estimate of the operations for 1940 to date, being as of November 16th domestically and as of November 2nd foreign. Also is attached copy of telegram dated November 22nd from Mr. Muller, explaining tax reserves in connection with domestic operations. The indications point that for the second year in succession the company will either break even or show a small loss domestically and that the foreign profit (subject to such reserves as Price, Waterhouse may make) will be substantially the same as last year.

In connection with the operating expenses in the United States it will be remembered that for many years prior to 1939 the Company had suffered heavy domestic losses.

5. Product for release the first six months of 1941.

Of the pictures to be released during the first six months of 1941 the following are completed, or about to be completed. They are not necessarily listed in their order of release:

"The Thief of Bagdad"
"The Son of Monte Cristo"
"Road Show"
"So Ends our Night" ("Flotsam")
"Lady Hamilton"
"Cheers for Miss Bishop"
"Major Barbara"
"That Uncertain Feeling"
"Topper Returns"
"Broadway Limited"

The pictures about to go into production are:

"Pot O' Gold"
"New Wine"
"Strange Victory"

The above totals thirteen, plus "The Great Dictator" which goes into general release in March, 1941, making fourteen in all.

6. New distribution contracts.

Since the last stockholders' meeting distribution contracts have been entered into with David Loew, James Roosevelt and Gabriel Pascal. In regard to the practical operation of these contracts David Loew is about to deliver his first picture, namely, "So Ends Our Night" ("Flotsam"), Gabriel Pascal has finished his picture, "Major Barbara", and James Roosevelt is about to commence his production of "Pot O' Gold."

There likewise have been a large number of distribution deals asked for during this period, all of which have been submitted to the Board of Directors and turned down by them upon my recommendation as not being consistent with and not being in keeping with the high-class quality of the product of the Corporation.

7. Season 1941-1942.

I am working on plans for the season 1941-1942 with our producers. In addition thereto I have a number of negotiations with other producers and when such negotiations are in tangible form I will present them to the Board of Directors for their consideration.

8. Matters connected with future operations.

(a) Producers' meetings.

In order to bring about closer relationship between our producers and distribution, including publicity, exploitation and sales, I have discussed with our producers the desirability of periodic meetings among our producers themselves and also with me and our sales and exploitation executive heads.

(b) New appointments.

Pursuant to the request of the producers who felt that the appointment of one man to head the sales would be advantageous, I appointed Arthur W. Kelly for that post, the choice of whom had the unanimous approval of all. In view of the transferring of Mr. Kelly from the foreign department to domestic sales, I appointed Walter Gould active head of the foreign department, he having been for many years Mr. Kelly's assistant.

In regard to publicity and exploitation, it was felt that a change was necessary and accordingly a settlement was arrived at with Mr. Farnol, as explained to the stockholders at the Meeting of November 19th, and in his place Mr. Monroe W. Greenthal was appointed as head of the department. The appointment of Mr. Greenthal likewise met with the approval of a large number of producers.

9. Producers' fund.

This fund expires this year. I would recommend that it be continued for at least one more year.

10. New proposed English agreement.

At the present moment indications point that the British Government will allow the eight American companies collectively to transfer, if earned, a total of $12,000,000. There is nothing definite at the moment but it looks very much as if it will materialize. In addition thereto, in all likelihood there will be other provisions such as the use of frozen money with which to make or purchase British pictures and in connection therewith the retention of the non-sterling income such as dollars and other foreign currencies by the American companies.

11. Financing corporation.

In view of world conditions presently prevailing and the desire of new producers not being willing or able to wholly finance their pictures, it becomes necessary to consider the formation of a finance company for the purpose of partially

financing productions, such as contributing some part of the equity money, likewise giving a guarantee of completion, all of which is being done by certain other companies.

I have had talks with several people regarding such a finance corporation and the question is asked whether United Artists will participate in such financing. I would recommend that United Artists stockholders approve in principle such an investment. As soon as there is any definite proposal I shall submit the same to the stockholders.

12. Goldwyn lawsuit.

The matter is pending and as hitherto, the directors (and through them the stockholders) will be advised from time to time through Mr. Edward C. Raftery, general counsel, and Charles Schwartz, co-counsel, as to developments in regard thereto.

13. Government lawsuit.

The representatives of the Attorney General's office of the United States of America have negotiated with representatives of the so-called "Big Five" on a consent decree which may have the effect of changing the whole system of competitive selling in the United States during the next season. I shall not dwell in detail on this point as each stockholder has had counsel's summary of the provisions of such decree.

This Company has refused to become a party to the consent decree. The management has given careful consideration to the changes, if any, in our selling policies, in order to meet the conditions that may arise because of the acceptance of the new methods of selling provided for by the consent decree by the five major producer-exhibitor companies. If we should find it necessary or desirable to sell part or all of our product in accordance with the new methods of selling prescribed by the decree, our expenses of operation will undoubtedly be materially increased. This is so because there will be the necessary additional expense of trade showings which are required under the method of selling fixed by the decree and also the increase in the number of selling campaigns.

14. Korda requests.

The stockholders will have for their consideration the request made by Mr. Korda in regard to his unit of stock at the opening meeting held yesterday.

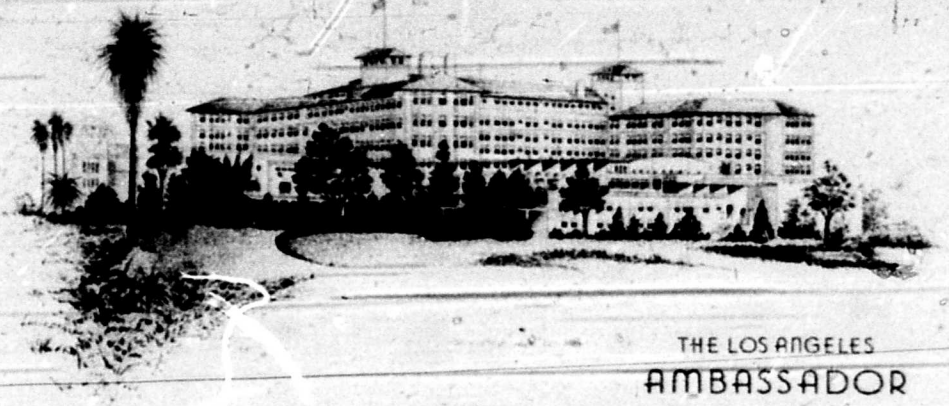
15. Fairbanks stock unit.

The Estate of the late Douglas Fairbanks is desirous of disposing of their stock. Certain discussions have taken place with Harry Bardt of the Bank of America in regard thereto with which the stockholders are familiar. This is a matter which the stockholders may desire to consider and dispose of.

16. Outlook for the future.

One cannot be too optimistic about the future and this applies equally as well to any motion picture company, for the reason that, as is well known, world markets have been drastically curtailed and currency restrictions are in force in many foreign countries. At this point I would like to add that in view of the difficult times we are now living in because of the world war and particularly as it affects England, I would strongly urge the producers, whether they be stockholders or not, that costs be kept down to a minimum and that they should not rely for recovery of production expenditures on any markets other than the United States.

The Company has sufficient pictures delivered and about to be delivered, including a back log of pictures released last year, which will yield enough income to cover a substantial portion of our expenses for the calendar year 1941 without taking into account any pictures to be made for release during the 1941-1942 season. As to future product, as above stated I am working on it now, but it would be extremely helpful, in fact it is almost a necessity, for the company to help in partially financing of new producers who are capable of making fine pictures, as well as the encouragement of certain of the present producers to continue making fine pictures.



THE LOS ANGELES
AMBASSADOR
CALIFORNIA

November 25th, 1940

Mr. Edward C. Raftery,
Embassador Hotel,
Los Angeles, Calif.

Dear Ed:

In connection with my report to the stockholders, you will remember that in Mr. Muller's letter of November 20th attached thereto he mentioned the consolidated statements that he was preparing in connection with the tentative balance sheet of the Corporation as at June 29th, 1940.

These consolidated statements have just arrived and I enclose both herewith.

Kind regards.

Sincerely,

M. Silverstone

P.S. Copies of the above have been sent to:

Mr. Chas. Schwartz
Mr. Alexander Korda
Mr. Harry Bardt
Mr. Loyd Wright
Mr. James Mulvey

MS:gf
Encl.

SOUTHERN CALIFORNIA
ALL-WINTER
SUN FESTIVAL

United Artists Corporation

HOME OFFICE

729 SEVENTH AVENUE

NEW YORK

TELEPHONE BRYANT 9-7300

November 20, 1940

Mr. Murray Silverstone
c/o Ambassador Hotel
Los Angeles, California

Dear Murray:

Enclosed herewith in two separate envelopes are the ten copies of the world-wide estimate for the 46 weeks ending November 16, 1940 with respect to U.S. and Canada and for the 44 weeks ending November 2, 1940 with respect to Foreign. You will note that the estimate works out to the sum of $538,000, subject to certain notes that appear upon it.

As this letter is being dictated, the Consolidating Balance Sheet and the Consolidating Income Statement of June 29, 1940 have not yet been completed. You were anxious to know the asset and liability position as at the present date. The figures are not available and as a matter of fact, the June 29, 1940 figures which we hope to send you tonight are being made up very hurriedly from whatever information is readily available, using every possible short cut.

Items such as Cash in Transit from foreign countries to New York and which had not reached New York on June 29th are classified as Deferred Charges. Certain Receivables from Producers and Payables to Producers are also classified as Deferred Charges for the reason that we did not have time to analyse in detail to the same extent as we ordinarily do. Therefore it is not safe to say that the June 29th figures are final and complete. However, I do not believe that the finished job will differ very greatly from the figures which we are rushing through tonight.

The statements which we are working on noware the Columnar Statements, showing details by country. We will be unable to complete until Friday the Consolidated Statements which really summarize the Columnar Statements. However, you will be in possession of the information by merely using the last columns of the Consolidating Balance Sheet and Consolidating Income Statement.

You will notice that we increased the Reserve against Investment in the Walter Wanger Productions, Inc. from $500,000 to $1,000,000 and deducted this sum from Surplus. We did this in accordance with your request and we presume that the Stockholders or Directors will pass a resolution authorizing this action.

While we do not have Balance Sheets and Income Statements down to date for the Delaware Corporation and its various subsidiaries, it appears to me that if up to date figures were available and a Balance Sheet were prepared, that the position would be very similar to that shown at June 29, 1940, except that the net assets would be increased by the difference between the world-wide profit of the first six months and the world-wide profit of $538,000 which appears upon the estimate.

The figures given for both June 29, 1940 and for November 16, 1940 are subject to currency restrictions insofar as they relate to assets in foreign countries and in fact to all of the notes which appear upon the estimate.

I trust these figures will be satisfactory.

Sincerely,

H.J. Muller

HJM:S

ENC; AIR MAIL - SPECIAL DELIVERY

ESTIMATED WORLD-WIDE PROFIT AND LOSS
U.S. AND CANADA FOR THE 46 WEEKS ENDING NOVEMBER 16, 1940
FOREIGN FOR THE 44 WEEKS ENDING NOVEMBER 2, 1940

	U.S. & Canada	Great Britain	Other Foreign	Total Foreign	Total
Sales	$9,432,620	$4,157,415	$3,347,687	$	$16,937,722
Played and Earned	12,102,041	4,196,918	3,473,377		19,772,336
Corporation's Share of Played and Earned	3,041,791	1,054,081	1,283,952		5,379,824
Other Income	160,354	20,562	69,389		250,305
	3,202,145	1,074,643	1,353,341		5,630,129
Prints, Duties, Etc.	54,050	32,483	114,999		201,532
Operating and Other Expenses	* 3,229,205	580,104	907,888		4,717,197
	3,283,255	612,587	1,022,887		4,918,729
	81,110	462,056	330,454	792,510	711,400
N.Y.Foreign Dept.Expenses				173,400	173,400
Estimated Profit	**$ 81,110			$ 619,110	$ 538,000

*Includes U.S. Income Tax on entire profit of Delaware Corporation, including foreign commissions.

**This profit does not take into account commissions from foreign but is after charging all of the New York Home Office expenses to domestic distribution.

The above figures are after provision for the 5% reduction in terms in England and Canada but before provision for rebates under the so-called Silverstone Plan. They also are after provision for all taxes throughout the world but do not include possible additional taxes in England and Canada which might be incurred because of the 5%. Provision has not been made for the expected Australian excess profits tax which will be retroactive to July 1, 1939.

No consideration has been given in the above figures to the various currency restrictions imposed by the British Empire.

Because of the situation in Continental Europe the profit of the French subsidiary since December 30, 1939, the profit of the Danish subsidiary since March 30, 1940 and the profit of the Belgian subsidiary since May 4, 1940 have been eliminated from the above figures.

New York, November 22nd, 1940

MURRAY SILVERSTONE
CARL ANBASSADOR HOTEL
LOS ANGELES, CALIF.

ESTIMATED PROFIT AND LOSS ESTIMATE TO NOVEMBER STATEMENT

INCLUDED IN DOMESTIC LOSS OF 61,000 IS PROVISION FOR U.S.

INCOME TAX 24,000, PROVISION FOR CANADA INCOME TAX 25,000.

35,000 OF THIS SUM HAS ACCRUED DURING SEVEN WEEKS

SINCE SEPTEMBER 28. TAX RATE IN CANADA IS 79 1/2% ON

PROFITS ABOVE AVERAGE PROFITS LAST FOUR YEARS WHICH IN

OUR CASE IS 25,000.

H. J. MILLER

No.1

UNITED ARTISTS CORPORATION
AND
SUBSIDIARIES AND BRANCHES
CONSOLIDATED BALANCE SHEET
AS AT JUNE 29, 1940
EXCEPT CONTINENTAL EUROPE AS NOTED ON SCHEDULE NO.1B

ASSETS

CASH IN BANKS, IN TRANSIT AND ON HAND		$ 3,083,647.21
HOME OWNERS LOAN CORPORATION BONDS MATURING 1942-44 at cost plus accrued interest		73,937.50
ADVANCES TO STOCKHOLDER PRODUCERS AND OTHER PRODUCERS (Secured by share of subsequent film rentals), less reserves		640,923.19
ACCOUNTS RECEIVABLE:		
Exhibitors	$1,034,147.66	
Licensees in foreign territories	58,178.45	
Officers and employees	5,673.47	
Miscellaneous	56,197.47	1,154,197.05
INVENTORIES:		
Accessories on hand and in transit	88,932.21	
Prints on hand or in transit	6,476.06	95,408.27
BALANCE RECEIVABLE FROM LONDON FILM PRODUCTIONS, LTD. AND ALEXANDER KORDA ON OR BEFORE MARCH 1, 1942 (including accrued interest to June 29, 1940) secured by 4,000 shares of capital stock of United Artists Corporation (Delaware)		396,902.15
NOTE RECEIVABLE FROM ALEXANDER KORDA MATURING MARCH 1, 1942 (including $9,743.72 of accrued interest)		84,743.72
MISCELLANEOUS DEPOSITS		40,304.25
CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES		228,312.25
SPECIAL BANK DEPOSITS SUBJECT TO RESTRICTIONS (see contra):		
Bank deposits not realizable before September 1941 to February 1942	109,709.95	
Bank deposits representing withholdings from producers in respect of tax assessments pending in a certain foreign country on producers' share of film rentals	44,250.24	153,960.19
INVESTMENTS AND ADVANCES		
Investments in and advances to wholly owned foreign subsidiaries (not consolidated) written down to a nominal value of $1 each	3.00	
Investments in foreign affiliated companies, at cost	356,836.93	
Investment in a domestic affiliated company, at cost less reserve of $1,000,000	251,200.00	
Advances to a domestic affiliated company (evidenced by demand notes bearing interest of 4% per annum)	495,121.67	1,103,161.60
FIXED ASSETS, at cost less depreciation		173,029.07
DEFERRED CHARGES		231,327.82
ARTISTS' CONTRACTS		20,000.00
		$ 7,479,854.27

LIABILITIES

BANK LOANS (guaranteed by parent company)			$ 6,451.61
OWING TO STOCKHOLDER PRODUCERS AND OTHER PRODUCERS			2,962,443.81
ACCOUNTS PAYABLE AND ACCRUED EXPENSES (partly secured, see contra)			1,001,369.69
PAYMENTS IN ADVANCE OF FILM SERVICE AND UNAPPLIED CREDITS			298,181.63
RESERVE FOR FEDERAL INCOME TAXES (the Federal tax returns for the years subsequent to 1933 are subject to final settlement with the U.S. Treasury Department)			85.13
RESERVE FOR FOREIGN INCOME TAXES (including $45,996.31 for British taxes on commissions earned by the parent company during the twenty-six weeks from the British subsidiary in excess of 5% of the gross film rentals of the British subsidiary)			160,477.79
RESERVE FOR CONTINGENCIES			271,250.00
DEFERRED CREDITS IN RESPECT OF SPECIAL BANK DEPOSITS SUBJECT TO RESTRICTIONS (per contra)			153,960.19
CAPITAL STOCK:			
Authorized - 36,000 shares without par value			
Issued -20,000 shares at stated value of $100. per share			2,000,000.00
CAPITAL SURPLUS			170,000.00
SURPLUS			
Balance - December 30, 1939		$ 794,269.54	
Add- Profit for the twenty-six weeks ending June 29, 1940		301,945.07	
		1,096,214.61	
Deduct:			
Additional income and other taxes relating to prior years (net)	$ 16,180.19		
Additional reserve provided with respect to investment in a domestic affiliated company(Walter Wanger Prod.Inc.)	500,000.00		
Dividends paid in cash	125,000.00	641,180.19	455,034.42
CONTINGENT LIABILITIES:			
Pending lawsuits and claims against the companies- amount of liability not determinable.			—
Liability to employees, under foreign labor laws, upon dismissal - amount not determinable.			
Possible additional income taxes and duty claims- amount not determinable.			
Note: No provision is made in the above figures for rebates under the so-called Silverstone Plan for the six months of 1940, or for possible additional taxes in England and Canada for this period.			
The above figures are subject to currency restrictions in foreign countries.			
			$ 7,479,854.27

UNITED ARTISTS CORPORATION
AND
SUBSIDIARIES AND BRANCHES
CONSOLIDATED INCOME STATEMENT
FOR SIX MONTHS ENDING JUNE 29, 1940
EXCEPT CONTINENTAL EUROPE AS NOTED ON SCHEDULE NO.4B

INCOME	AMOUNT	RATIO TO P. & E.
Gross film rentals	$ 10,778,417.26	99.30%
Gross sales of foreign rights	76,148.93	.70
	10,854,566.19	100.00
Less: Producers' participation - played and earned	7,826,902.51	72.11
Producers' participation - sales of foreign rights	66,014.68	.61
	7,892,917.19	72.72
Corporate share - played and earned	2,951,514.75	27.19
Corporate share - sales of foreign rights	10,134.25	.09
	2,961,649.00	27.28
Profit on sales of accessories	83,455.25	.77
Dividends and directors fees received from a foreign affiliated company	2,538.40	.03
Profit on foreign exchange	(8,404.68)	(.08)
Interest accrued on notes and loans receivable by parent company	20,174.22	.18
Interest earned on marketable securities	778.50	.01
Other income	48,826.56	.45
Gross income	3,109,326.25	28.64
EXPENSES		
Prints, duties, censorship, etc.	115,276.37	1.06
Exchanges' operating expenses	1,536,446.21	14.15
Home office operating expenses	828,232.01	7.63
Foreign department expenses	103,381.38	.95
Provision for foreign income taxes of parent company	48,996.31	.45
Provision for foreign income taxes of foreign subsidiaries and branches	69,137.15	.64
Other taxes	53,169.62	.49
Depreciation and amortization of fixed assets	21,742.66	.20
Loss on operations of London Pavilion theatre	8,285.21	.08
Interest expense	10,389.36	.10
Other expenses	12,324.90	.11
Total expenses	2,807,381.18	25.86
Net profit	$ 301,945.07	2.78%

Note: No provision is made in the above figures for rebates under the so-called Silverstone Plan for the six months of 1940, or for possible additional taxes in England and Canada for this period.

The above figures are subject to currency restrictions in foreign countries.

Bracketed figures indicate amounts in red.

UNITED ARTISTS CORPORATION AND SUBSIDIARIES AND BRANCHES

CONSOLIDATING BALANCE SHEET AS AT JUNE 27, 1942

ASSETS	UNITED ARTISTS CORP. (DELAWARE) (See Sched. 3A)	CANADA Local Corp.	ENGLAND Local Corp.	CONTINENTAL EUROPE Local Corp. (See Sched. 3B)	EXPORT CORP. (EUROPE AGENTS) English Corp.	MEXICO Local Corp.	CUBA Local Corp.	PUERTO RICO Del. Corp.	SOUTH AMERICA Del. Corp. (See Sched. 3C)	AUSTRALASIA Local Corp.	NETHERLANDS EAST INDIES Del. Corp.	SOUTH AFRICA Local Corp.	ADJUSTMENTS AND ELIMINATIONS	TOTAL
Cash in banks, in transit and on hand	$ 2232823 27	125812 99	435467 27	144578 91	$ (85483)	155381	247240	160430	99188 22	295476	25446 0	165167		$ 3083647 34
Advances to stockholder producers and other producers (secured by share of subsequent film rentals) less reserves:-	415435 47	72132 6	417089 3	52937 8	8622 97	7011 0	1167	739 2	71441 1	234479 6	2198 0	57008 2		1409233 19
Accounts receivable:-														
Exhibitors	600733 08	17586 10	395722 99	17812 40		3889 71	37733 2	10264 5	38461 93	240638	4001 05	44308 1		1311506 33
Licensees in foreign territories	14672 89				43505 56									58178 45
Officers and employees	5277 61	395 86												5673 47
Miscellaneous	854 78		3533 57	401 04	2656 16	580 41			200 0	4871 51				5619 7
Inventories:-														
Accessories on hand and in transit	3785 98	2097 5	1123 97	913 80		2079 68	844 55	484 69	14709 02	7369 56	573 96	2478 75		81133 21
Prints on hand and in transit	3282 74				1522 62					1470 70				6276 06
Balance receivable from London Film Productions, Ltd. and Alexander Korda for capital stock	3969 02 15													3969 02 15
Note receivable from Alexander Korda	847 43 72													847 43 72
Miscellaneous deposits	903 78	34 51	98 41	2776 25			156 90	110 00	2650 49	600 22	15 83	93 16		4080 45
Special bank deposit not realizable before September, 1941 to February, 1942	1097 69 95													1097 69 95
Special bank deposits representing foreign tax withholdings from producers	4435 02 14													4435 02 14
Marketable securities (pledged)	73 93 50													73 93 50
Cash surrender value of life insurance policies on former official (pledged)	2283 12 25													2283 12 25
Investments in and advances to subsidiaries and branches		7205 54	7746 38 17		1078 69 34					2870 52 66			(1178 76 0 71)	3 00
Investment in Odeon Cinema Holdings, Ltd. and Odeon Theatres, Ltd.			3566 38 93											3566 38 93
Investment in affiliated company (Walter Wanger Productions, Incorporated)	1251 20000													1251 20000
Advances to affiliated company (Walter Wanger Productions, Incorporated)	495 12 67													495 12 67
Land	250 00 00													250 00 00
Building	47 35 0 21													47 35 0 21
Furniture, fixtures and equipment	1324 44 73	51 87 94	555 71 47	94 37 56		27 51 0 3	87 58 4	96 79 8	214 41 76	816 52 76	126 1 93	30 92 90		2644 36 96
Improvements of leaseholds	394 34 52													394 34 52
Deferred charges	197 44 60	40 0 69	113 89 91	32 47 70		12 07 57	11 7 05	11 2 50	58 43 83	35 33 7 0	25 30 48	55 07 79		2311 32 82
Artists' contracts	200 00 00													200 00 00
	$ 6473 74 41 4	1654 31 4	2120 88 21 32	1442 75 84 8	2332 12 82 0	1276 93 97	735 67 3	$ 4384 84	2334 89 36	4138 10 0 5	1144 66 5 0	3781 59 0 0	(1178 76 0 71)	$ 18 80 18 45

Note:- Bracketed figures indicate amounts in Red.

UNITED ARTISTS CORPORATION AND SUBSIDIARIES AND BRANCHES

CONSOLIDATING BALANCE SHEET AS AT JUNE 29, 1940

LIABILITIES	UNITED ARTISTS CORP. (DELAWARE) (See Sched. 3A)	CANADA Local Corp.	ENGLAND Local Corp.	CONTINENTAL EUROPE Local Corp. (See Sched. 3B)	EXPORT CORP. (EUROPE ACCEPT.) English Corp.	MEXICO Local Corp.	CUBA Local Corp.	PUERTO RICO Del. Corp.	SOUTH AMERICA Del. Corp. (See Sched. 3C)	AUSTRALASIA Local Corp.	NETHERLANDS EAST INDIES Del. Corp.	SOUTH AFRICA Local Corp.	ADJUSTMENTS AND ELIMINATIONS	TOTAL
Bank loans (guaranteed by parent company)									4,451.61					4,451.61
Owing to stockholder producers and other producers	1,131,124.02	16,628.78	1,455,622.50	121,807.72	61,867.54	5,628.04			375,537.50	121,746.74	289.56	10,971.84		2,962,443.81
Accounts payable and accrued expenses	670,442.27	282,518.61	135,768.61	32,859.66	29,288.72	580.37	521.74		42,049.49	98,728.19	89.58	1,208.68		1,001,364.69
Intercompany accounts payable	715,476.37			57,982.45		114,282.34	20,537.15	3,477.74	455,126.60		341,985.58	21,964.66	(1,693,426.13)	—
Payments in advance of film service and unapplied credits	977,980.7	493.06	1,789.42	1,610.48	187,076.25	412.88		789.62	841.19	484.73	81.93			2,981,163
[redacted]														
Reserve for federal income taxes - U.S.									565.73		19.35			685.13
Reserve for foreign income taxes	67,168.45	793.98	7,985.94	726.08	1,092.40			825.16	34,241.0		1,789.68			164,677.79
Reserve for doubtful accounts	70,613.95	706.20	1,207.00			230.45	432.14	134.00	2,063.27		47.17		1,103.88	9,738.86
Reserve for investment in affiliated company (Walter Wanger Productions, Incorporated)	100,000.00													100,000.00
Reserve for depreciation of building	3,456.48													3,456.48
Reserve for depreciation of furniture, fixtures and equipment	82,039.93	1,148.82	4,734.33	457.06		1,346.38	668.48	759.25	13,863.26	1,787.62	795.69	177.89		173,411.81
Reserve for amortization of leaseholds	24,519.13													24,519.13
Reserve for contingencies	394,146.47												(122,896.47)	271,250.00
Deferred credits in respect of special bank deposits	153,961.19													153,961.19
Capital stock	2,000,000.00	100,000	86,860.00	98,184.01	49,750.00	150,000	200,000	500.00	2,789,456	217,500.00	500.00	47,000	(208,835.54)	2,000,000.00
Capital surplus	170,000.00													170,000.00
Surplus	(104,220.60)	95,345.44	361,033.12	(1,440.32)	(51,087.09)	(111,217.64)	(15,795.00)	(2,090.95)	41,627.91	149,244.85	(26,484.89)	(381.67)	235,941.77	455,034.42
	6,473,744.14	1,653,814.10	2,120,887.32	1,442,753.14	233,212.82	1,276,337.03	835,673.00	438,484.83	4,233,489.36	4,138,100.05	1,144,665.01	378,590.00	(1,178,740.71)	26,780,165.45

Note: Bracketed figures indicate amounts in Red.

UNITED ARTISTS CORPORATION (DELAWARE)

BALANCE SHEET ANALYSIS AS AT JUNE 28, 1940

No. 3A

ASSETS	DELAWARE EXCLUDING UNINCORPORATED FOREIGN BRANCHES	CRISTOBAL Branch	CHINA Branch	INDIA Branch	PHILIPPINE ISLANDS Branch	STRAITS SETTLEMENTS Branch	PERU Branch	ELIMINATIONS	TOTAL
Cash in banks, in transit and on hand	$2206124.51	$16591.75	$1186.20	$3041.44	$5212.22	$470.00	$197.15		$2232823.27
Advances to stockholder producers and other producers (secured by share of subsequent film rentals) less reserves:-	409974.88		344.99	4073.34	289.94	155.36	596.96		415435.47
Accounts Receivable:-									
Exhibitors	583010.39	8316.88	511.45	4448.39	614.18	3557.64	274.15		600733.08
Licensees in foreign territories	13551.36	1121.53							14672.89
Officers and employees	3481.59	1796.02							5277.61
Miscellaneous	8080.93			248.46		217.39			8546.78
Inventories:-									
Accessories on hand and in transit	31333.60	2686.98	494.11	2358.40	1145.08	208.94	658.87		37885.98
Prints on hand and in transit	3282.74								3282.74
Balance receivable from London Film Productions, Ltd. and Alexander Korda for capital stock	396902.15								396902.15
Note receivable from Alexander Korda	84743.72								84743.72
Miscellaneous deposits	8813.14	4.15	21.42	20.72		32.90	140.45		9032.78
Special bank deposits not realizable before September, 1941 to February, 1942	109709.95								109709.95
Special bank deposits representing foreign tax withholdings from producers	44250.24								44250.24
Marketable securities (pledged)	73937.50								73937.50
Cash surrender value of life insurance policies (pledged)	228312.25								228312.25
Investments in and advances to subsidiaries and branches			3699.07	15014.93	12072.73			(30786.73)	-0-
Investment in affiliated company (Walter Wanger Productions, Incorporated)	1251200.00								1251200.00
Advances to affiliated company (Walter Wanger Productions, Incorporated)	495121.67								495121.67
Land	25000.00								25000.00
Building	47350.21								47350.21
Furniture, fixtures, and equipment	116183.39	766.51	281.00	11844.32	1820.34	717.29	831.88		132444.73
Improvements of leaseholds	39634.52								39634.52
Deferred charges	192407.51	78.95	1132.67	405.57	993.84	2358.49	9.57		197446.60
Artists' contracts	20000.00								20000.00
	$6392466.25	$31362.77	$7670.91	$40455.57	$22148.33	$7718.01	$2709.03	$(30786.73)	$6473744.14
LIABILITIES									
Owing to stockholder producers and other producers	$1125114.93			$6009.09					$1131124.02
Accounts payable and accrued expenses	662092.91	529.46	88.93	2093.81	5241.88	94.00	321.28		670462.27
Intercompany accounts payable	726437.36	17156.86				1456.76	1211.14	(30786.73)	715475.39
Payments in advance of film service and unapplied credits	77476.76	250.40	3212.69	15287.95	1523.27	47.00			97798.07
Reserve for foreign income taxes	63996.31	93.28		1657.04	1120.04		301.78		67168.45
Reserve for doubtful accounts	68947.94	1666.01							70613.95
Reserve for investment in affiliated company (Walter Wanger Productions, Incorporated)	1000000.00								1000000.00
Reserve for depreciation of building	3656.68								3656.68
Reserve for depreciation of furniture, fixtures and equipment	67931.09	452.49	109.23	11095.43	1382.76	664.83	404.10		82039.93
Reserve for amortization of leaseholds	26519.13								26519.13
Reserve for contingencies	394146.67								394146.67
Deferred credit in respect of special bank deposits	153960.19								153960.19
Capital stock	2000000.00								2000000.00
Capital surplus	170000.00								170000.00
Surplus	(147813.72)	11214.27	4260.06	4312.25	12880.38	5455.42	470.73		(109220.61)
	$6392466.25	$31362.77	$7670.91	$40455.57	$22148.33	$7718.01	$2709.03	$(30786.73)	$6473744.14

NOTE:- BRACKETED FIGURES INDICATE AMOUNTS IN RED

CONTINENTAL EUROPE

BALANCE SHEET AMOUNTS AS AT JUNE 29, 1940

No. 23.

ASSETS	3/30/40 FRANCE Local Curr.	5/4/40 BELGIUM Local Curr.	6/1/40 SWITZERLAND Local Curr.	6/29/40 SWEDEN Local Curr.	3/30/40 DENMARK Local Curr.	3/30/40 NORWAY Local Curr.	3/30/40 FINLAND Local Curr.	3/30/40 HOLAND Local Curr.	ELIMINATIONS	TOTAL
Cash in banks and on hand	$ 102946 11	$ 43161 7	$ 47600 3	$ 22643 67	$ 12198 93	$	$	$	$	$ 144870 91
Advances to stockholder producers and other producers (secured by charge of subsequent film rentals) less reserves	38591 37	26240 7	51887 66	2497 296	3530 12					52937 18
Accounts receivable:-										
Exhibitors	10868 08		4781 45	1141 63	3021 04					17212 40
Employees and employees										
Miscellaneous	3133 49	635 12	133 02	95 24	13 17					4010 04
Inventories:-										
Accessories on hand and in transit	3543 36	2218 32	792 92	1483 24	1145 96					9183 80
Outside on hand within the world										
Miscellaneous deposits	1978 19	4080 2	67 38	230 81	21 85					2776 25
Furniture, fixtures and equipment	6099 12	743 80	440 35	722 34	1401 95					9437 56
Investments in and advances to subsidiaries and branches		12211 64		9443 32	9306 05		2178 58		(11799 19)	---
Deferred charges	934 13	425 38	521 60	708 97	657 62					3247 70
	$ 168093 85	$ 236723 3	$ 126914 1	$ 134206 78	$ 31367 79	$ ---	$ 2178 58	$ ---	$ (11799 19)	$ 244570 94
LIABILITIES										
Owing to Producers	$ 95360 54	$ 98248 6	$ 72669	$ 101	$ 9825 12	$	$	$	$	$ 121807 74
Accounts payable and accrued expenses	2442 66	6846 89	9446 8	1827 0	3147 8		2395			26229 60
Intercompany accounts payable	16309 11		3583 37			4916 04		2127 32	(11799 19)	8992 65
Payments in advance of film service and unapplied credits	410 02	600 46								1010 48
Reserve for income taxes		249 97		6142 06	840 73		48 32			7261 08
Reserve for contingencies										
Reserve for depreciation of furniture, fixtures and equipment	485 63	319 43	266 67	457 74	667 61					2371 06
Capital stock	1975 00	278000	1927 00	67184 50	13404 80	4009 44	6300 00	2005 25		98184 01
Surplus	(12203 38)	29209 98	(3305 48)	50238 77	2879 45	(1724 50)	(4191 04)	(4132 57)		(11140 02)
	$ 168093 85	$ 236723 3	$ 126914 1	$ 134206 78	$ 31367 79	$ ---	$ 2178 58	$ ---	$ (11799 19)	$ 244570 94

Note:- Parenthesis figures indicate amounts in red

SOUTH AMERICA

BALANCE SHEET ANALYSIS AS AT JUNE 23, 1940

No. 3C

ASSETS	U.A. SOUTH AMERICAN CORPORATION - DELAWARE CORPORATION NEW YORK	ARGENTINE	CHILE	TOTAL	COLOMBIA Del. Corp.	BRAZIL Del. Corp.	ELIMINATIONS	TOTAL
Cash in banks and on hand	$	$ 13053 95	$ 16444 38	$ 29498 83	$ 24520 49	$ 45168 90	$	$ 99188 22
Advances to stockholder producers and other producers (secured by share of subsequent film rentals) less reserves		4999 36	404 77	5404 13	84 95	1655 03		7144 11
Accounts Receivable:								
Exhibitors		30415 30	2255 74	32671 04	2499 59	23291 30		58461 93
Miscellaneous						200 00		200 00
Inventories:								
Accessories on hand and in transit		6786 49		6786 49	1591 11	6331 42		14709 02
Miscellaneous deposits		23431 17		23431 17	568 33	2500 99		26500 49
Furniture, fixtures and equipment		9798 83	1977 08	11775 91	1908 12	7757 73		21441 76
Investments in and advances to subsidiaries and branches	18113 36		17996 00	36109 36			(36109 36)	0 —
Deferred charges		4374 25	1421 39	5795 64	48 19			5843 83
	$ 18113 36	$ 92859 35	$ 40499 86	$ 151472 57	$ 31220 78	$ 86905 37	$ (36109 36)	$ 233489 36
LIABILITIES								
Bank loans (guaranteed by parent company)	$	$ 6451 61	$	$ 6451 61	$	$	$	$ 6451 61
Owing to producers		9407 01	28130 49	37537 50				37537 50
Accounts Payable and accrued expenses	419 00	1508 34	756 39	2683 73	1221 26	300 00		4204 99
Intercompany accounts payable		57703 83		57703 83	15145 24	58772 89	(36109 36)	95512 60
Payments in advance of film service and unapplied credits		184 00		184 00		657 79		841 79
Reserve for federal income taxes - U.S.					565 78			565 78
Reserve for foreign income taxes			3297 46	3297 46	126 64			3424 10
Reserve for doubtful accounts		1463 36		1463 36	579 43	20 48		2063 27
Reserve for depreciation of furniture, fixtures and equipment		6712 19	667 26	7379 45	1296 64	4687 17		13363 26
Capital stock	11000 00			11000 00	6896 55	10000 00		27896 55
Surplus	6694 36	9429 01	7648 26	23771 63	5389 24	12467 04		41627 91
	$ 18113 36	$ 92859 35	$ 40499 86	$ 151472 57	$ 31220 78	$ 86905 37	$ (36109 36)	$ 233489 36

NOTE:- BRACKETED FIGURES INDICATE AMOUNTS IN RED

UNITED ARTISTS CORPORATION AND SUBSIDIARIES AND BRANCHES

No. 4

CONSOLIDATING INCOME STATEMENT FOR SIX MONTHS ENDING JUNE 30, 1940

INCOME	UNITED ARTISTS CORP. (NICARAGUA) (See Sched. 4-A)	CANADA Local Corp.	ENGLAND Local Corp.	CONTINENTAL EUROPE Local Corp. (See Sched. 4-B)	EXPORT CORP. (Europe Agents) English Corp.	MEXICO Local Corp.	CUBA Local Corp.	PUERTO RICO Del. Corp.	SOUTH AMERICA Del. Corp. (See Sched. 4-C)	AUSTRALASIA Local Corp.	SCANDINAVIA BANK INDEMN Del. Corp.	SOUTH AFRICA Local Corp.	ADJUSTMENTS AND ELIMINATIONS	TOTALS
Gross film rentals	6538226.07	405602.24	2861899.85	291711.08		70518.26	44167.37	2905.86	325120.82	421297.41	38342.54	52274.71		11077841.24
Gross sales of foreign rights	1428.78			764.10	787.05									2979.93
	6539654.85	405602.24	2861899.85	292475.18	787.05	70518.26	44167.37	2905.86	325120.82	421297.41	38342.54	52274.71		11080821.17
Less: Producers' participation - played and earned	4829621.68	303776.24	1917581.14	199202.91		42490.62	26396.46	1726.15	164200.05	262773.10	23018.14	36177.35	(560.33)	7826902.51
Producers' participation - sales of foreign rights	1483.43			702.16	638.09									2823.68
	4841105.11	303776.24	1917581.14	199904.07	638.09	42490.62	26396.46	1726.15	164200.05	262773.10	23018.14	36177.35	(560.33)	7829726.19
Corporate share - played and earned	1698.04.39	102026.05	644318.71	92507.17		2802.64	1777.91	11.79	1609.20.77	1585.24.81	1532.40	1609.736	560.33	2951514.75
Corporate share - sales of foreign rights	1455.35			694	992.796									10184.25
	1698749.74	102026.05	644318.71	93201.11	992.796	2802.64	1777.91	11.79	1609.20.77	1585.24.81	1532.40	1609.736	560.33	2961698.00
Corporate share - played and earned - additional	424.210					1047.60			293.82		20.81		(560.33)	-0-
Profit on sales of accessories	5184.06	228.08	947.00	569.28		(825.46)	76.54	28.54	(221.35)	814.59	134.48	(228.39)		5345.25
Commission from foreign companies	3697.75.20												(3697.75.20)	-0-
Income from foreign dividends	17.11.710												(17.11.710)	-0-
Dividends and directors fees received from a foreign affiliated company			2838.40											2838.40
Profit on foreign exchange	(85.10)	(1.78)	(651.905)	118.93	14.950	1470.99	118.19	(2.06)	(31.5.13)	212.44	(13.67)	2.68		(840.46)
Interest accrued on notes and loans receivable by parent company	201.74.22													201.74.22
Interest earned on marketable securities	787.50													787.50
Other income	2276.76	245.53	111.083	506.85	71.0.07	964.69		39.84	2452.36	5234.67	120.42	4976.52		17826.84
Gross income	2185758.53	112760.88	651426.79	93153.17	1718.293	3068.224	1866.74	1206.901	1602.89.45	1728.084.01	1531.344	1995.119	(3868.92.30)	2109336.25
EXPENSES														
Prints, duties, censorship, etc.	21766.78	4373.49	1810.31	873.72		412.677	315.442	24.35.29	2441.002	1067.625	253.416	258.616		11527.37
Exchanges' operating expenses	8742.58.19	728.64.11	2664.23.57	5845.521	1943.493	2464.940	1296.888	785.564	1031.91.32	761.0.623	466.788	1048.475		15361.46.21
Home office operating expenses	828.232.01													828.232.01
Foreign department expenses	103.381.38													103.381.38
[illegible]														
Provision for foreign income taxes	4899.631													4899.631
Provision for foreign income taxes of foreign subsidiaries and branches	364.918	7930.98	2519.107					10.80	3926.82	2782.711	534.19			16287.18
Other taxes	3812.720	527.6.14		2510.69		2.24.380	1.27.230	56.50	8.26.1.26	2383.3	175.40	8.10		5316.963
Depreciation and amortization of fixed assets	1481.2.55	3.75.12	3.00.783	294.93		20.633	66.04	7.2.17	1.73.6.10	925.00	96.74	150.05		2174.266
[illegible]														
[illegible]														
Loss on operations of London Pavilion Theatre			8.28.5.21											8.28.5.21
Interest expense	10.38.9.36													10.38.9.36
Other expenses	57.2.65	65.3.3.17	2.98.8.53	3.14.26	96.1.47	6.22.45	29.97	4.0.01	9.1.1.74	2.21.21	1.70.06	6.9.45		1233.490
Commissions to United Artists Corporation	8.81.1.56		3.20.2.37	1.18.56.51	4.68.9.68					2.1.0.64.86		3.1.5.12	(3.69.7.75.20)	-0-
TOTAL EXPENSES	1973.96.4.07	96.4.3.01	6.4.4.3.4.99	7.4.3.0.432	2.4.9.8.608	5.1.8.4.9.75	1.7.4.8.5.61	1.0.5.6.3.41	1.3.7.3.6.16	1.3.7.3.9.8.99	1.3.7.2.4.3	1.6.7.1.1.66	(3.69.7.75.20)	2.8.0.7.3.8.1.18
Profit from operations	2.1.2.8.0.7.41	1.6.1.7.87	7.1.9.1.90	2.5.5.4.85	(7.8.0.3.10)	(1.1.6.5.5)	1.1.6.13	1.5.0.5.62	2.3.5.3.29	3.4.6.8.7.02	2.3.4.4.01	3.2.4.9.53	(1.7.1.7.10)	3.0.1.9.4.5.07
Surplus - December 30, 1939	8.02.8.7.0.78	9.7.0.4.4.67	3.7.0.3.7.7.14	(1.3.6.9.4.7.47)	(4.3.2.8.3.94)	(1.1.0.0.5.2.13)	(1.6.9.6.1.13)	(3.5.9.6.5.7)	1.8.1.1.8.89	1.1.4.6.7.1.83	(2.8.7.5.8.99)	(3.7.2.1.20)	2.3.5.3.6.1.77	7.9.4.2.6.9.54
Less:- Additional income and other taxes relating to prior years			1.6.5.3.52						(3.5.9.7.3)					1.6.1.8.0.19
[illegible]														
Reserve provided with respect to investment in a domestic affiliated company	5.0.0.0.0.0.00													5.0.0.0.0.0.00
Dividends paid in cash	1.2.5.0.0.0.0.0	1.7.1.7.10											(1.7.1.7.10)	1.2.5.0.0.0.0.0
Surplus to date	(1.0.9.2.2.0.61)	4.5.3.4.5.44	3.6.1.0.3.3.12	(1.1.1.4.0.8.83)	(5.1.0.8.7.09)	(1.1.2.1.7.6.1)	(1.5.9.4.5.00)	(3.0.9.4.9.7)	4.1.2.2.9.1	1.6.9.3.4.4.15	(2.6.7.5.8.99)	(3.8.1.4.7)	1.3.5.4.6.1.77	6.5.5.8.4.6.03

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UNITED ARTISTS CORPORATION (DELAWARE)

INCOME STATEMENT ANALYSIS FOR SIX MONTHS ENDING JUNE 29, 1940

	DELAWARE HOLDING UNINCORPORATED FOREIGN BRANCHES	CRISTOBAL Branch	CHINA Branch	INDIA Branch	PHILIPPINE ISLANDS Branch	STRAITS SETTLEMENTS Branch	PERU Branch	TOTAL
INCOME								
Gross film rentals	$ 623085 71	$ 85511 00	$ 23011 35	$ 77883 29	$ 63632 32	$ 34739 23	$ 20612 17	$ 965874 07
Gross sales of foreign rights	1623 78							1623 78
	623248 49	85511 00	23011 35	77883 29	63632 32	34739 23	20612 17	967497 85
Less: Producers' participation - played and earned	460063 91	43109 55	15000 92	46096 37	32001 74	20781 00	10307 59	627390 08
Producers' participation - sales of foreign rights	1483 43							1483 43
	460147 34	43109 55	15000 92	46096 37	32001 74	20781 00	10307 59	625906 65
Corporate share - played and earned	156519 380	42401 45	10010 43	31156 92	22557 58	13927 03	10307 58	1698604 39
Corporate share - sales of foreign rights	145 25							145 25
	156533 905	42401 45	10010 43	31156 92	22557 58	13927 03	10307 58	1698749 64
Corporate share - played and earned - additional	4240 96	114						4242 10
Profit on sales of accessories	50289 13	(426 12)	8668	1576 17	620 82	12432	(432 94)	51742 06
Commission from foreign companies	304775 20							304775 20
Income from foreign dividends	17117 10							17117 10
Profit on foreign exchange		(306 59)	(90 98)	(25 65)	(100 69)	245 71	(377 00)	(685 10)
Interest accrued on notes and loans receivable by parent company	20174 21							20174 21
Interest earned on marketable securities	787 50							787 50
Other income	18567 14	687	740 17	3321 03	1000 08	171 60		24487 72
Gross income	2044290 40	41676 75	10796 30	35918 47	23638 79	14399 63	9447 64	2180577 57
EXPENSES								
Prints, duties, censorship, etc.	2166 96	518 567	1390 89	5216 70	1349 70	736 17	1720 70	41766 79
Exchanges' operating expenses	803741 95	24434 16	5111 30	19302 55	8361 59	6432 26	7074 44	874457 19
Home office operating expenses	828232 01							828232 01
Foreign department expenses	10338 138							10338 138
Provision for foreign income taxes	4899 31							4899 31
Provision for foreign income taxes of foreign subsidiaries and branches				2499 20	1119 98			3619 18
Other taxes	37064 43	713 22	5 13	1058 3	123 62	46 92	6 309	38127 20
Depreciation and amortization of fixed assets	14097 50	57 44	22 13	424 44	79 22	43 90	57 92	14831 235
~~Royalties for advances receivable from Spanish Cooperative and Exchange subsidiary~~								
~~Provision for contingencies~~								
Interest expense	1038 936							1038 936
Other expenses:		271 99	680	134 83	38	47 89	110 76	572 65
Commissions to United Artists Corporation				3893 67	3191 92	1734 97		8811 56
Total expenses	1872 07 490	30462 45	6536 24	31606 33	14316 41	9047 71	9036 91	1973 06 097
Profit from operations	172421 550	11214 27	4260 06	4312 25	12880 38	5455 92	470 73	212808 61
~~Royalties from foreign branches~~								
Net profit	172421 550	11214 27	4260 06	4312 25	12880 38	5455 92	470 73	212808 61
Surplus December 30, 1939	30297 078							30297 078
Less: ~~Additional income and other items relating to prior years~~								
~~Settlement under consolidation of distribution agreement~~								
Reserve provided with respect to investment in a domestic affiliated company	50000 000							50000 000
Dividends paid in cash	125000 000							125000 000
Surplus to date	(147 31 372)	11214 27	4260 06	4312 25	12880 38	5455 92	470 73	(109 22 061)

NOTE: BRACKETED FIGURES INDICATE AMOUNTS IN RED

CONTINENTAL EUROPE

INCOME STATEMENT ANALYSIS FOR THE SIX MONTHS ENDING JUNE 29, 1940

No. 4 B

INCOME	3/30/40 FRANCE Local Curr.	5/4/40 BELGIUM Local Curr.	6/1/40 SWITZERLAND Local Curr.	6/29/40 SWEDEN Local Curr.	3/30/40 DENMARK Local Curr.	3/30/40 NORWAY Local Curr.	3/30/40 FINLAND Local Curr.	3/30/40 HOLLAND Local Curr.	TOTAL
Gross film rentals	$ 1084462	$ 605364	$ 27898	$ 77711 40	$ 17117 47	$	$	$	$ 291711 87
Gross sales of foreign rights	7623 10								7623 10
	1092085 72	605364	27898	77711 40	17117 47				2919475 12
Less: Producers' participation - played and earned	790260 74	420667 70	19088 58	48018 86	10402 62				1990078 91
Producers' participation - sales of foreign rights	702 16								702 16
	791278 70	420667 70	19088 58	48018 86	10402 62				1990780 07
Corporate share - played and earned	29420 08	12469 64	809 67	29092 54	6712 24				92503 17
Corporate share - sales of foreign rights	69 94								69 94
	29490 02	12469 64	809 67	29092 54	6712 24				92573 11
Profit on sales of accessories	2585 98	1362 56	10 52	499 58	204 64				5663 28
Profit on foreign exchange	(514)	153 45	19 61	(1238)	(2649)	(12)			11893
Other income	1400	236	[1]	1302 82	5980				13020 82
Gross income	342026 86	199388 01	88406 67	31278 56	6943 19	(12)	---	---	992530 17
EXPENSES									
Prints, duties, censorship, etc.	8055	(3668 86)	1760 67	57 49	1949				7273
Exchanges' operating expenses	173364 47	128241 14	70466 07	17302 12	3941 62		479		394254 41
Other taxes	22566	2540 3							47106 9
Depreciation of furniture, fixtures and equipment	1203 9	396 2	27 95	56 39	52 58				2936 93
Other expenses	21 53	1888 6	29 65	71 33	2 89				3144 26
Commissions to United Artists Corporation	26937 38	30268 2	13949 1	3885 57	855 92				112561 21
Total expenses	232368 8	159651	86746 3	21372 91	5021 50	---	479	---	743060 2
Profit from operations	89657 98	40224 0	1660 4	10505 65	1891 69	(12)	(479)	---	249470 85
Surplus - December 30, 1939	(130998 99)	(1161 44)	(33571 50)	39718 10	4834 50	(7533 38)	(41199 0)	(4132 5)	(132946 01)
Surplus to date	$(123032 51)	$ 39062 91	$ (33545 46)	$ 50223 77	$ 6726 19	$ (7545 50)	$ (41199 0)	$ (4132 5)	$ (113475 16)

Note: Bracketed Figures Indicate Amounts in Red

SOUTH AMERICA

INCOME STATEMENT ANALYSIS FOR SIX MONTHS ENDING JUNE 30, 1940

No. 4C

	U.S. SOUTH AMERICAN CORPORATION- DELAWARE CORPORATION				COLOMBIA	BRAZIL	
	NEW YORK	ARGENTINE	CHILE	TOTAL	Del. Corp.	Del. Corp.	TOTAL
INCOME							
Gross film rentals		$ 140964 79	$ 43832 17	$ 184796 96	$ 35660 05	$ 104663 81	$ 325120 82
Less:- Producers' participation - played and earned		70545 84	23323 19	93869 03	18103 22	52227 80	164200 05
Corporate share - played and earned		70418 95	20508 98	90927 93	17556 83	52436 01	160920 77
Corporate share - played and earned - additional		3 46		3 46		293 36	293 82
Profit on sales of accessories		(1666 31)		(1666 31)	114 75	1330 21	(221 35)
Profit on foreign exchange	(2176 78)	(1670 32)	2 28	(3844 82)	323 36	365 31	(3156 15)
Other income	32 89	1279 91	217 97	1530 77	20 80	900 79	2452 36
Gross income	(2143 89)	68365 69	20729 23	86951 03	18015 74	55322 68	160289 45
EXPENSES							
Prints, duties, censorship, etc.		10700 97	2872 59	13573 56	1606 93	9229 53	24410 02
Exchanges' operating expenses		46300 72	7717 32	54018 04	10341 86	38531 42	102891 32
Provision for federal income taxes - U.S.							
Provision for foreign income taxes		530 15	1887 10	2417 25	127 56	1381 01	3925 82
Other taxes	12 00	392 48	455 94	860 42	591 37	1809 47	3261 26
Depreciation of furniture, fixtures and equipment		823 15	148 02	971 17	135 52	629 41	1736 10
Other expenses		189 21		189 21	184 03	538 40	911 64
Total expenses	12 00	58936 68	13080 97	72029 65	12987 27	52119 24	137136 16
Profit from operations	(2155 89)	9429 01	7648 26	14921 38	5028 47	3203 44	23153 29
Profit from foreign branches							
Surplus - December 30, 1939	8494 52			8494 52	360 77	9263 60	18118 89
Less:- Adjustment of taxes prior years (1937)	(355 73)			(355 73)			(355 73)
Dividend							
Surplus to date	$ 6694 36	$ 9429 01	$ 7648 26	$ 23771 63	$ 5389 24	$ 12467 04	$ 41627 91

NOTE:- BRACKETED FIGURES INDICATE AMOUNTS IN RED

At End of		World-Wide	U.S.	Foreign		World-Wide	Investments in Pictures & Theatres	Other Items
					Dividend 500,000 less L.F.P. 100,000	400,000.00		$400,000.00
1936	Current and Working Assets	$4,667,651.57	$2,036,710.20	$2,630,941.37	Hart Judgment	85,000.00		85,000.00
	Current Liabilities	3,461,837.81	1,715,765.25	1,746,072.56	Investment in Wanger Co.	1,251,200.00	$1,251,200.00	
	Net Current and Working Assets	1,205,813.76	320,944.95	884,868.81	Investment in Odeon	57,980.92	57,980.92	
	Consolidated Profit $857,631.31				Investment in B.H. Real Estate	34,386.02		34,386.02
						1,822,566.94	1,309,180.92	519,386.02
1937	Current and Working Assets	5,322,486.01	2,436,400.98	2,886,885.03	Dividend 250,000 less L.F.P. 50,000	200,000.00		200,000.00
	Current Liabilities	3,933,242.96	1,792,292.31	2,140,950.65	Loaned to Wanger Co.	100,461.11	100,461.11	
	Net Current and Working Assets	1,389,243.05	644,108.67	745,134.38	Loaned to A. Korda	76,806.00		76,806.00
	Consolidated Profit $751,875.92				Investment in Odeon	119,059.87	119,059.87	
					Investment in B.H. Real Estate	21,964.19		21,964.19
					Investment in Leaseholds	38,327.08		38,327.08
					Elimination of Spanish Subsidiary	6,369.44		6,369.44
						562,987.69	219,520.98	343,466.71
1938	Current and Working Assets	4,254,340.04	1,950,198.77	2,304,141.27	Dividend 500,000 less L.F.P. 100,000	400,000.00		400,000.00
	Current Liabilities	3,855,149.39	1,931,519.55	1,923,229.84	Loaned to Wanger Co.	562,549.44	562,549.44	
	Net Current and Working Assets	399,190.65	18,279.22	380,911.43	Increase in Hart Judgment	193,209.99		193,209.99
	Consolidated Profit $254,001.51				Giannini's Settlement	168,000.00		168,000.00
					Investment in Odeon	79,100.00	79,100.00	
					Elimination of Czecho-Sl. Subsidiary	44,875.69		44,875.69
					" " Japan "	12,744.93		12,744.93
					" " Licensed Agents	44,163.73		44,163.73
					Additional 5% to Producers - England	351,775.06		351,775.06
					" " " " - Canada	31,769.98		31,769.98
					Tax Savings, England and Canada a/c 5%	113,000.00		113,000.00
					Reserved for possible taxes England & Canada	113,000.00		113,000.00
					Producers Fund - England	53,756.45		53,756.45
					" " - U.S. & World-Wide	47,198.28		47,198.28
						1,989,143.55	641,649.44	1,347,494.11
1939	Current and Working Assets	4,795,379.41	3,931,090.59	1,764,288.82	Dividend 250,000 less L.F.P. 50,000	200,000.00		200,000.00
	Current Liabilities	4,054,164.56	2,352,188.33	1,701,976.23	Wanger Co. Loan Reduction	176,688.88	176,688.88	
	Net Current and Working Assets	741,214.85	678,902.26	62,312.59	Caddo Settlement	75,000.00		75,000.00
	Consolidated Profit $445,382.20				Investment in Odeon	99,711.74	99,711.74	
					Investment in B.H. Real Estate	15,232.00		15,232.00
					Addition 5% to Producers - England	274,000.00		274,000.00
					" " " " - Canada	36,000.00		36,000.00
					Tax Savings, England & Canada a/c 5%	108,000.00		108,000.00
					Producers Fund - England	133,153.81		133,153.81
					" " - U.S.	87,991.42		87,991.42
						636,400.09	76,977.14	713,377.23
					GRAND TOTALS	5,017,098.27	2,093,374.20	2,923,724.07

NOTE: Net current U.S. assets will be reduced if payment [illegible] is required to make repayments on account of amounts owing by it to certain subsidiaries and branches or is required to make payments in U.S. for the account of subsidiaries and branches.

WALTER WANGER PRODUCTIONS
INCORPORATED
941 NORTH FORMOSA AVE LOS ANGELES CALIFORNIA

November 18, 1940

Mr. Murray Silverstone
Ambassador Hotel
Los Angeles, California

Dear Murray:

Enclosed herewith find the following statements of the Wanger company:

1. Income and Distribution Expenses to June 30, 1940.
2. Statement of Pictures Produced - Negative Cost - Shooting Time and Average Cost of Entire Program, for period of 4½ years.
3. Estimated Income as of October 31, 1940.
4. Detail of figures used in compiling Statement of Estimated Income.
5. Unrecouped Producer's Net as of Nov. 2, 1940.

You will notice that the Estimated Income Statement reflects a Net Loss of $453,728.00. However, as you will notice this includes an estimated gross in England of $400,000. for Foreign Correspondent and $100,000. for Long Voyage Home which are the figures you and I arrived at as possible while I was in New York, but I question any one being able to guess an estimate even close to what we may expect to get from England.

There is no question, in my opinion, but what the Net Loss of $453,728.00 indicated on the Estimated Income Statement must be materially increased and to reflect the worst picture possible let's take the following formula:

Net Loss as reflected by Estimated Income Statement		$ 453,728.00
Add the entire amount of Unrecouped Monies from England as shown on Unrecouped Statement	777,473.00	
		1,231,201.00
Add the entire amount of Unrecouped Monies from Europe as shown on Unrecouped Statement	96,166.00	
		1,327,367.00
Add the entire amount of Unrecouped Monies from Balance Foreign to and including HOUSE ACROSS THE BAY as shown on Unrecouped Statement	129,463.00	
		1,456,830.00
Less free currencies to be received from Foreign Territories as per statement furnished by U.A. Foreign Department	154,477.00	
		$1,302,353.00
Less amount you estimate the Wanger Company will receive from England during the next year	250,000.00	
NET LOSS		$1,052,353.00

From the above net loss of $1,052,353. it is perhaps reasonable to deduct some amount for our frozen balances which according to figures furnished us by U.A. Foreign Department from the latest statements they had was $267,952.00 as of September 23, 1940.

While from a standpoint of Walter Wanger Productions, Incorporated, the above sets forth a very gloomy picture, however from the standpoint of United Artists who as reflected in the Income and Distribution Expense Statement enclosed herewith had received $3,467,432.00 for distribution fees to June 30, 1940, which is 27.15% of the total gross to that date of $12,773,132.00 on the first 14 pictures, their investment in the Wanger Company has been profitable.

As to the future of the Wanger company and the program for the ensuing year, I feel reasonably certain we can arrange with the Bank to finance three pictures at an average negative cost of

$700,000. In order to make each of these important pictures we will endeavor to make percentage of profits deals with writers, directors and actors and actresses.

In order to go ahead with this program it requires a Domestic Gross of approximately $1,200,000. for FOREIGN CORRESPONDENT and $900,000. for LONG VOYAGE HOME and in order to accomplish this the greatest of effort must be put forth in sales, advertising and exploitation, play-off and collections.

As you are holding a meeting of the United Artists stock-holders tomorrow it is an opportune time to acquaint them with the status of their investment in the Wanger Company and will appreciate it if you will submit this letter and the accompanying statements for their information and consideration.

With kindest regards.

Sincerely,

C. E. Bricken

CEB:ej
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INCOME AND DISTRIBUTION OF EXPENSE TO JUNE 29, 1940

PRODUCER'S SHARE OF EXPENSE

	GROSS	DISTRIBUTORS FEE	PRINTS	ADVERTISING	HAYES DUES	CENSORS	TRAILER	MISCELLANEOUS	TOTAL EXPENSE	PRODUCER'S NET	NEGATIVE COST	UNRECOUPED BALANCE
YOU ONLY LIVE ONCE												
Domestic	541,734.95	136,483.51 (25.19%)	38,580.30	34,321.09	2,052.87	2,310.06	3,168.77	800.12	714,365.67 (13.79%)	330,546.77 (61.08%)		
England	215,039.00	61,020.36 (28.38%)							9,988.89 (4.64%)	144,089.85 (66.98%)		
Europe	62,787.46	25,712.66 (41.00%)							18,319.87 (29.18%)	18,754.93 (29.88%)		
Bal. Foreign	60,299.10	27,266.55 (44.70%)							8,230.00 (13.64%)	25,502.65 (41.81%)		
Total	$880,620.51	$250,513.58 (28.45%)							$110,903.83 (12.59%)	$519,803.10 (58.96%)	$589,503.24	$70,300.14
HISTORY IS MADE AT NIGHT												
Domestic	704,189.46	177,871.17 (25.22%)	41,669.47	16,101.87	2,968.36	2,859.65	4,257.31	1,474.26	91,126.10 (11.61%)	495,409.19 (63.17%)		
England	317,346.00	90,262.17 (28.44%)							10,525.35 (3.38%)	216,558.68 (68.24%)		
Europe	112,323.27	18,792.35 (13.20%)							22,339.02 (19.76%)	41,301.40 (37.08%)		
Bal. Foreign	127,671.85	54,515.68 (42.70%)							14,955.00 (11.71%)	58,200.97 (46.59%)		
Total	$1,342,430.58	$391,435.07 (29.16%)							$138,935.27 (10.35%)	$812,060.24 (60.49%)	$821,790.85	$ 9,730.61
N.W. VOYAGE OF 1936												
Domestic	965,629.80	242,479.09 (25.11%)	151,314.87	54,977.37	3,543.24	2,947.30	1,595.13	7,050.77	218,218.42 (22.60%)	504,902.29 (52.29%)		
England	303,529.00	76,931.08 (25.34%)							39,230.13 (12.92%)	187,367.79 (61.73%)		
Europe	112,123.47	16,194.87 (14.20%)							40,928.20 (36.50%)	25,000.40 (22.30%)		
Bal. Foreign	144,215.94	61,721.42 (42.80%)							31,163.00 (21.32%)	51,088.52 (35.32%)		
Total	$1,525,498.21	$427,329.46 (28.01%)							$329,869.75 (21.62%)	$768,899.00 (50.37%)	$1,018,435.08	$280,136.08
[illegible]												
Domestic	687,003.16	182,560.01 (21.97%)	33,066.03	35,178.27	2,083.95	2,182.69	1,547.32	6,565.02	85,789.44 (10.28%)	464,711.81 (64.65%)		
England	138,774.00	29,264.67 (25.43%)							9,230.19 (7.96%)	77,479.24 (66.81%)		
Europe	19,401.55	5,229.24 (32.70%)							7,719.71 (48.27%)	3,042.60 (19.02%)		
Bal. Foreign	56,196.90	22,166.13 (41.00%)							8,564.00 (15.88%)	23,380.77 (42.38%)		
Total	$913,369.61	$213,499.35 (26.25%)							$111,332.54 (11.23%)	$568,617.12 (62.52%)	$523,068.60	$15,451.48
[illegible]												
Domestic	588,[illegible].99	146,212.13 (21.[illegible]%)	30,186.79	26,[illegible].93	4,772.30	1,262.00	[illegible].10	4,[illegible].28	68,753.28 (11.68%)	373,089.58 (63.30%)		
England	178,351.00	46,[illegible].84 (25.[illegible]%)							11,935.34 (6.69%)	121,660.42 (67.99%)		
Europe	21,[illegible].71	4,[illegible].37 (19.[illegible]%)							12,060.63 (43.08%)	4,095.71 (13.72%)		
Bal. Foreign	53,130.92	21,[illegible].36 (40.[illegible]%)							9,564.00 (18.06%)	22,018.66 (41.44%)		
Total	$840,[illegible].62	$[illegible],[illegible].70 (25.[illegible]%)							$109,023.25 (12.11%)	$520,864.37 (61.91%)	$523,613.20	[illegible]
[illegible] IS LIVE AGAIN												
Domestic	427,[illegible].25	106,[illegible].44 (24.[illegible]%)	30,[illegible].82	9,[illegible].36	1,[illegible].51	2,[illegible].79	[illegible].83	1,706.28	40,911.35 (9.67%)	279,[illegible].26 (65.[illegible]%)		
England	85,[illegible].00	21,[illegible].10 (25.[illegible]%)							8,117.95 (9.48%)	56,019.95 (65.[illegible]%)		
Europe	19,[illegible].36	[illegible],[illegible].05 (16.[illegible]%)							6,816.62 (34.[illegible]%)	3,941.69 (20.[illegible]%)		
Bal. Foreign	48,807.16	17,[illegible].13 (36.[illegible]%)							7,685.00 (17.[illegible]%)	17,[illegible].32 (36.[illegible]%)		
Total	$[illegible],[illegible].02	$[illegible],[illegible].92 (26.[illegible]%)							$63,530.92 (11.[illegible]%)	$357,016.22 (62.[illegible]%)	$[illegible].79	$71,[illegible].61
BLOCKADE												
Domestic	479,[illegible].28	116,[illegible].36 (24.[illegible]%)	35,[illegible].18	14,[illegible].32	1,[illegible].08	2,[illegible].11	3,[illegible].44	2,307.10	83,[illegible].65 (17.[illegible]%)	[illegible],[illegible].34 (57.[illegible]%)		
England	277,[illegible].12	69,[illegible].09 (25.[illegible]%)							14,581.77 (5.[illegible]%)	193,[illegible].32 (69.[illegible]%)		
Europe	16,[illegible].71	4,[illegible].37 (26.[illegible]%)							12,961.03 (78.[illegible]%)	[illegible],[illegible].74 (51.[illegible]%)		
Bal. Foreign	115,[illegible].36	28,[illegible].51 (24.[illegible]%)							11,[illegible].00 (9.[illegible]%)	57,[illegible].85 (49.[illegible]%)		
Total	$[illegible],[illegible].54	$[illegible],[illegible].84 (27.[illegible]%)							$122,139.45 (13.[illegible]%)	$[illegible],[illegible].25 (53.[illegible]%)	$[illegible],[illegible].44	$[illegible].37
SUB TOTAL	$6,[illegible],[illegible].19	$1,[illegible],[illegible].42 (27.[illegible]%)	$[illegible].76	$[illegible].01	$[illegible].01	$[illegible].58	$[illegible].28	$[illegible].83	$[illegible].01 (13.[illegible]%)	$[illegible],[illegible].30 (50.[illegible]%)	$[illegible].97	$[illegible]
ADVANCE												
Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		
England	[illegible]	[illegible]							[illegible]	[illegible]		
Europe	[illegible]	[illegible]							[illegible]	[illegible]		
Bal. Foreign	[illegible]	[illegible]							[illegible]	[illegible]		
Total	$[illegible]	$[illegible]							$[illegible]	$[illegible]	$[illegible]	$[illegible]

Domestic	$1,[illegible].26	$[illegible].46	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$[illegible].19	[illegible]	$[illegible].89	(60.[illegible]%)		
England	[illegible].[illegible]	[illegible].[illegible]	[illegible]	[illegible]							[illegible].77	[illegible].[illegible]%	[illegible].01	(87.[illegible]%)		
Europe	[illegible].[illegible]	[illegible].[illegible]	[illegible]	[illegible]							[illegible].[illegible]	[illegible].[illegible]%	[illegible].73	(8.[illegible]%)		
Fel. Foreign	[illegible].[illegible]	[illegible].[illegible]	[illegible]	[illegible]							[illegible].[illegible]	[illegible].[illegible]%	[illegible].[illegible]	(60.[illegible]%)	**	
Total	$1,[illegible].[illegible]	$[illegible].[illegible]	[illegible]%	[illegible]%							$[illegible].1	[illegible]%	$[illegible].[illegible]	(60.[illegible]%)	$[illegible].[illegible]	$[illegible].[illegible]
[illegible]																
Domestic *	1,[illegible].[illegible]	[illegible].[illegible]	[illegible]%	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(64.[illegible]%)		
England	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(61.[illegible]%)		
Europe	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(52.[illegible]%)		
Fel. Foreign	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(44.[illegible]%)	**	
Total	$1,[illegible].[illegible]	$[illegible].[illegible]	[illegible]%								$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	(62.[illegible]%)	$[illegible].[illegible]	$[illegible].[illegible]
TOTAL	[illegible].[illegible]	$1,[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	$[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	$[illegible].[illegible]	[illegible].[illegible]	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	(63.[illegible]%)	$[illegible].[illegible]	$[illegible].[illegible]
SUB TOTAL	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	$[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	$[illegible].[illegible]	[illegible].[illegible]	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	(60.[illegible]%)	$[illegible].[illegible]	$[illegible].[illegible]
[illegible] CARNIVAL																
Domestic	[illegible].[illegible]	[illegible].[illegible]	[illegible]%	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(58.[illegible]%)		
England	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(53.[illegible]%)		
Europe	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(53.[illegible]%)		
Fel. Foreign	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(27.[illegible]%)		
Total	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%								$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	(56.[illegible]%)	$[illegible].[illegible]	$[illegible].[illegible]
[illegible]																
Domestic	[illegible].[illegible]	[illegible].[illegible]	[illegible]%	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(64.[illegible]%)		
England	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(58.[illegible]%)		
Europe	-	-									[illegible].[illegible]					
Fel. Foreign	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(19.[illegible]%)		
Total	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%								$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	(61.[illegible]%)	$[illegible].[illegible]	$[illegible].[illegible]
[illegible]																
Domestic	[illegible].[illegible]	[illegible].[illegible]	[illegible]%	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(57.[illegible]%)		
England	-	-									[illegible].10		[illegible].10			
Europe	-	-									-		-			
Fel. Foreign	-	-									[illegible].[illegible]		[illegible].[illegible]			
Total	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%								$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	(56.[illegible]%)	$[illegible].[illegible]	$[illegible].[illegible]
[illegible]																
Domestic	[illegible].[illegible]	[illegible].[illegible]	[illegible]%	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(62.[illegible]%)		
England	-	-									-		-			
Europe	-	-									-		-			
Fel. Foreign	-	-									[illegible].[illegible]		[illegible].[illegible]			
Total	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%								$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	(60.[illegible]%)	$[illegible].[illegible]	$[illegible].[illegible]
TOTAL	[illegible].[illegible]	$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	$[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	$[illegible].[illegible]	[illegible].[illegible]	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	(60.[illegible]%)	$[illegible].[illegible]	$[illegible].[illegible]
[illegible] RECEIPTS											7,[illegible].61					
TOTAL																
Domestic	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	(61.[illegible]%)		
England	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(66.[illegible]%)		
Europe	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(52.[illegible]%)		
Fel. Foreign	[illegible].[illegible]	[illegible].[illegible]	[illegible]%								[illegible].[illegible]	[illegible]%	[illegible].[illegible]	(61.[illegible]%)		
Undistributed																
Picture Receipts	7,[illegible].61												7,[illegible].61			7,[illegible].61
GRAND TOTAL	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	$[illegible].[illegible]	[illegible].[illegible]	[illegible].[illegible]	$[illegible].[illegible]	[illegible].[illegible]	$[illegible].[illegible]	$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	[illegible]%	$[illegible].[illegible]	$[illegible].[illegible]

* Domestic Only
** Exclusive of Director's participation in profits

	NEGATIVE COST	SHOOTING START	FINISH	DAYS STRAIGHT	DAYS RETAKES
YOU ONLY LIVE ONCE	$ 569,503.24	9/28/36	11/19/36	46	15
HISTORY IS MADE AT NIGHT	821,790.85	11/4/36	12/30/36	49	8
N.W.MOUNTIES OF 1938	1,048,455.08	3/15/37	6/12/37	43	14
FIFTY SECOND STREET	528,868.60	5/26/37	6/28/37	29	5
MET LOVE AGAIN	428,799.73	6/21/37	7/29/37	35	8
STAND IN	523,613.20	6/28/37	8/7/37	36	3
BLOCKADE	693,086.64	2/16/38	3/26/38	34	4
ALGIERS	691,833.28	4/1/38	5/17/38	40	2
TRADE WINDS	736,933.54	8/22/38	10/4/38	33	10
STAGE COACH	531,374.13	10/21/38	12/22/38	47	1
WINTER CARNIVAL	412,639.72	4/19/39	5/24/39	31	3
ETERNALLY YOURS	790,878.27	6/22/39	8/9/39	41	5
SLIGHTLY HONORABLE	434,873.62	8/29/39	10/3/39	30	5
HOUSE ACROSS THE BAY	713,965.01	10/16/39	11/29/39	38	5
SUB TOTAL	$8,942,394.91				
AVERAGE COST	638,742.49				
FOREIGN CORRESPONDENT	$1,485,000.00	3/18/40	5/29/40	58	11
LONG VOYAGE HOME	640,000.00	4/19/40	5/29/40	37	2
TOTAL	$11,067,394.91				
AVERAGE COST	691,712.18				

ESTIMATED INCOME

10/31/40

		Est. Gross Expectancy	Canadian Exchange Loss	Distributor's Fee	Prints, Advt. Etc.	Producer's Net	Negative Cost	Profit Or Loss
LIVE ONCE	Domestic	$ 545,000	$ 50	$ 137,239	$ 74,100	$ 333,311		
	England	216,000		61,250	10,000	144,750		
	Europe	75,000		29,921	18,000	27,079		
	Bal. Foreign	80,000		35,682	8,000	36,318		
	Total	916,000	50	264,092	110,100	541,458	$ 589,503	48,045
HISTORY IS MADE NIGHT	Domestic	787,000	100	198,420	91,200	497,280		
	England	329,000		90,000	10,600	219,400		
	Europe	128,000		55,320	19,000	53,680		
	Bal. Foreign	148,000		63,119	17,000	67,881		
	Total	1,383,000	100	406,899	137,800	838,241	821,791	16,450
N.W. VOGUES OF 1938	Domestic	967,000	100	242,727	218,400	505,773		
	England	307,000		77,000	39,400	190,600		
	Europe	125,000		51,500	30,000	43,500		
	Bal. Foreign	153,000		65,445	32,000	55,555		
	Total	1,552,000	100	436,672	319,800	795,428	1,048,435	253,007
52ND STREET	Domestic	629,000	100	156,962	65,800	406,138		
	England	119,000		29,500	9,300	80,200		
	Europe	20,000		6,654	5,000	8,346		
	Bal. Foreign	58,000		23,907	7,000	27,093		
	Total	826,000	100	217,023	87,100	521,777	523,869	2,092
STAND IN	Domestic	591,000	100	147,319	68,800	374,781		
	England	183,000		45,500	11,900	125,600		
	Europe	30,000		12,795	10,000	7,205		
	Bal. Foreign	61,000		24,699	9,300	27,001		
	Total	865,000	100	230,313	100,000	534,587	523,613	10,974
WHY MY LOVE AGAIN	Domestic	430,000	100	107,160	41,000	281,740		
	England	88,000		21,500	8,300	58,200		
	Europe	22,000		9,891	6,000	6,109		
	Bal. Foreign	46,000		19,353	8,000	18,647		
	Total	586,000	100	157,904	63,300	364,696	428,800	64,104
BLOCKADE	Domestic	485,000	150	120,835	83,300	280,715		
	England	277,000		67,500	14,600	194,900		
	Europe	52,000		20,921	10,000	21,079		
	Bal. Foreign	126,000		52,079	12,200	61,721		
	Total	940,000	150	261,335	120,100	558,415	692,087	133,672
NEW TOTAL		17,068,000	$ 700	$1,974,198	$ 938,500	$14,154,602	$14,628,008	473,496
ALIBERS	Domestic	808,000	400	200,000	93,300	514,300		
	England	305,000		74,000	12,500	218,500		
	Europe	40,000		24,787	8,000	27,213		
	Bal. Foreign	176,000		74,014	16,000	85,986		
	Total	1,369,000	400	372,801	129,800	845,999	691,833	154,166

[illegible]	Domestic	770,000	550	291,061	82,400	668,000		
	England	220,000		82,000	11,000	122,000		
	Europe	30,000		9,411	6,000	14,586		
	Bal. Foreign	105,000		43,300	11,000	47,700	36,715	
	Total	1,325,000	550	340,775	116,400	867,275	738,734	91,796
STAGECOACH	Domestic	1,027,000	1000	246,975	106,700	672,325		
	England	380,000		92,000	21,200	266,800		
	Europe	100,000		28,855	16,000	55,147		
	Bal. Foreign	125,000		52,214	14,000	58,786	104,337	
	Total	1,832,000	1000	420,042	157,900	1,053,058	531,374	417,347
TOTAL		$4,306,000	$ 1950	$1,133,618	$ 604,100	$2,766,332	$2,103,023	$663,309
SUB TOTAL		11,374,000	2,650	3,107,816	1,342,600	6,920,934	6,731,121	189,813
WINTER CARNIVAL	Domestic	505,000	1,250	123,706	80,000	300,050		
	England	85,000		20,750	8,500	55,750		
	Europe	12,000		3,200	3,000	5,800		
	Bal. Foreign	50,000		21,121	8,000	20,879		
	Total	652,000	1,250	168,771	99,500	382,479	412,640	30,161
ETERNALLY YOURS	Domestic	752,000	2,200	185,500	75,000	489,300		
	England	200,000		48,500	13,000	138,500		
	Europe	20,000		8,000	5,000	7,000		
	Bal. Foreign	75,000		31,500	12,000	31,500		
	Total	1,047,000	2,200	273,500	105,000	666,300	790,878	124,578
SLIGHTLY HONORABLE	Domestic	430,000	1,350	107,500	55,000	266,150		
	England	140,000		34,500	10,000	95,500		
	Europe	10,000		3,000	2,000	5,000		
	Bal. Foreign	40,000		16,800	7,500	15,700		
	Total	620,000	1,350	161,800	74,500	382,350	434,874	52,524

HOUSE ACROSS THE BAY	Domestic	700,000	1,800	173,500	60,000	464,700		
	England	180,000		44,000	12,500	123,500		
	Europe	10,000		3,000	2,000	5,000		
	Bal. Foreign	80,000		33,600	12,000	34,400		
	Total	970,000	1,800	254,100	86,500	627,600	713,965	86,365
* TOTAL		$ 3,289,000	$6,600	$ 858,171	$ 365,500	$ 2,058,729	$ 2,352,357	293,628
SUB TOTAL		$14,663,000	$9,250	$3,965,987	$1,708,100	$ 8,979,663	$ 9,083,478	103,815
FOREIGN CORRESPONDENT	Domestic	1,200,000	4,000	290,000	100,000	806,000		
	England	400,000		100,000	15,000	285,000		
	Europe	10,000		3,000	2,000	5,000		
	Bal. Foreign	150,000		63,000	15,000	72,000		
	Total	1,760,000	4,000	456,000	132,000	1,168,000	1,484,167	316,167
LONG-VOYAGE HOME	Domestic	900,000	2,500	222,500	125,000	550,000		
	England	100,000		25,000	10,000	65,000		
	Europe	10,000		3,000	2,000	5,000		
	Bal. Foreign	75,000		31,500	12,000	31,500	2,751	
	Total	1,085,000	2,500	282,000	149,000	651,500	682,495	33,746
TOTAL		$ 2,845,000	$ 6,500	$ 738,000	$ 281,000	$ 1,819,500	$ 2,169,413	$ 349,913
GRAND TOTAL		$17,508,000	$ 15,750	$ 4,703,987	$ 1,989,100	$ 10,799,163	$ 11,252,891	453,728

*Director's Participation

UNRECOUPED PRODUCER'S NET AT NOV. 2, 1940, BASED ON MOST RECENT ESTIMATED RECEIPTS

	DOMESTIC	ENGLAND	EUROPE	BAL. FOREIGN	TOTAL
LIVE ONCE	1,415.00	212.00	4,704.00	10,610.00	16,941.00
HISTORY	161.00	1,974.00	10,305.00	9,309.00	22,049.00
VOGUES	630.00	3,528.00	17,139.00	4,174.00	25,471.00
52ND STREET	699.00	2,070.00	4,777.00	3,171.00	10,717.00
Total	3,205.00	7,784.00	36,925.00	27,264.00	75,178.00
MET MY LOVE	1,150.00	1,923.00	1,863.00	4,593.00	9,529.00
STAND IN	1,227.00	3,297.00	2,625.00	867.00	8,016.00
BLOCKADE	2,666.00	1,167.00	4,304.00	2,502.00	10,639.00
Total	5,043.00	6,387.00	8,792.00	7,962.00	28,184.00
Sub Total	8,248.00	14,171.00	45,717.00	35,226.00	103,362.00
ALGIERS	3,101.00	12,662.00	2,521.00	3,651.00	21,935.00
TRADE WINDS	3,553.00	15,397.00	5,407.00	13,142.00	37,699.00
STAGECOACH	1,166.00	113,477.00	15,741.00	13,103.00	143,487.00
Total	7,820.00	141,736.00	23,669.00	29,896.00	203,121.00
Sub Total	16,068.00	155,907.00	69,386.00	65,122.00	306,483.00
WINTER CARNIVAL	7,480.00	31,468.00	771.00	8,109.00	47,828.00
ETERNALLY YOURS	8,456.00	82,389.00	6,009.00	14,189.00	111,043.00
SLIGHTLY HONORABLE	8,540.00	67,605.00	5,000.00	14,018.00	95,164.00
HOUSE ACROSS BAY	54,640.00	90,104.00	5,000.00	28,025.00	177,769.00
Total	79,117.00	271,566.00	16,780.00	64,341.00	431,804.00
Sub Total	95,185.00	427,473.00	86,166.00	129,463.00	738,287.00
CORRESPONDENT	648,061.00	285,000.00	5,000.00	72,000.00	1,010,061.00
LONG VOYAGE HOME	550,000.00	65,000.00	5,000.00	31,500.00	651,500.00
Total	1,198,061.00	350,000.00	10,000.00	103,500.00	1,661,561.00
GRAND TOTAL	1,293,246.00	777,473.00	96,166.00	232,963.00	2,399,848.00

	DOMESTIC				ENGLAND				EUROPE				BALANCE FOREIGN			
	EXPECTANCY		P. & E. TO 10/26/40	CONTRACTS TAKEN	EXPECTANCY		P. & E. TO 8/31/40	CONTRACTS TAKEN	EXPECTANCY		P. & E.	CONTRACTS TAKEN	EXPECTANCY		P. & E.	CONTRACTS TAKEN
	WANGER	U. A.			WANGER	U. A.			WANGER	U. A.			WANGER	U. A.		
LIVE ONCE	545,000	546,000	542,965	543,791	216,000	215,500	214,598	214,934	75,000	73,048	73,482	88,399	80,000	80,000	77,928	78,938
HISTORY	787,000	786,000	786,257	787,437	320,000	318,000	317,833	318,269	128,000	127,105	127,390	133,363	148,000	148,000	147,844	148,393
VOGUES	967,000	966,000	965,927	968,632	307,000	307,000	306,457	306,585	125,000	121,829	122,174	132,874	153,000	153,000	152,548	150,613
52ND STREET	629,000	629,000	627,927	629,670	119,000	119,000	118,397	118,833	20,000	16,767	16,808	28,406	58,000	58,000	56,601	58,070
STAND IN	591,000	590,000	589,461	591,286	183,000	182,500	181,670	182,138	30,000	27,067	27,344	33,435	61,000	61,000	58,155	61,165
MET MY LOVE	430,000	429,000	428,211	431,311	88,000	88,000	87,624	87,724	22,000	19,295	19,680	24,771	46,000	46,000	45,120	46,333
BLOCKADE	485,000	482,000	480,970	506,170	277,000	277,000	276,789	276,792	52,000	50,686	50,840	54,744	126,000	126,000	125,066	127,888
Total	4,434,000	4,428,000	4,421,748	4,458,297	1,510,000	1,507,000	1,503,368	1,505,255	452,000	435,797	437,778	495,992	672,000	672,000	$ 662,662	670,794
ALGIERS	808,000	808,000	805,634	808,564	305,000	305,000	299,760	300,408	60,000	56,500	56,906	67,797	176,000	176,000	174,603	177,002
TRADE WINDS	970,000	968,000	965,823	969,827	220,000	220,000	219,361	220,339	30,000	26,000	27,101	36,619	105,000	105,000	98,205	106,671
STAGECOACH	1,027,000	1,025,000	1,021,960	1,027,027	380,000	380,000	376,588	377,880	100,000	88,800	91,507	111,057	125,000	125,000	163,281	172,854
Total	2,805,000	2,801,000	2,796,417	2,805,418	905,000	905,000	895,709	898,627	190,000	171,300	175,514	218,473	406,000	406,000	436,089	456,527
SUB TOTAL	$7,239,000	$ 7,229,000	$ 7,218,165	$ 7,263,715	$ 2,415,000	$ 2,412,000	$ 2,399,077	$ 2,403,882	$ 642,000	$ 607,097	$ 613,292	$ 714,465	$1,078,000	$1,078,000	$1,098,751	$1,127,321
WINTER CARNIVAL	505,000	505,000	494,599	505,100	85,000	85,000	75,383	78,300	12,000	6,638	6,855	9,157	50,000	50,000	32,246	38,652
ETERNALLY YOURS	752,000	750,000	739,507	756,974	200,000	200,000	162,129	166,709	20,000	1,542	5,117	7,489	75,000	75,000	56,802	63,400
SLIGHTLY HONORABLE	430,000	430,000	411,779	442,534	140,000	140,000	61,517	66,406	10,000	5,000	-	1,393	40,000	40,000	17,770	25,452
HOUSE ACROSS BAY	700,000	700,000	627,242	670,078	180,000	180,000	83,709	72,269	10,000	5,000	-	834	80,000	80,000	26,899	35,571
Total	2,387,000	2,385,000	2,273,127	2,374,686	605,000	605,000	387,738	383,684	52,000	18,180	11,972	18,873	245,000	245,000	133,717	163,075
SUB TOTAL	$9,626,000	$ 9,614,000	$ 9,491,292	$ 9,638,401	$ 3,020,000	$ 3,017,000	$ 2,786,815	$ 2,787,566	$ 694,000	$ 625,277	$ 625,264	$ 733,338	$ 1,323,000	$ 1,323,000	$1,232,468	$1,290,396
FOREIGN CORRESPONDENT	1,200,000	1,200,000	408,704	508,851	400,000	400,000	-	-	10,000	5,000	-	-	150,000	150,000	18,165	445
LONG VOYAGE HOME	900,000	900,000	12,065	109,582	100,000	100,000	-	-	10,000	5,000	-	-	75,000	75,000	-	-
Total	2,100,000	2,100,000	420,769	618,433	500,000	500,000	-	-	20,000	10,000	-	-	225,000	225,000	18,165	445
GRAND TOTAL	$11,726,000	$11,714,000	$9,912,061	$10,256,834	$3,520,000	$3,517,000	$2,786,815	$2,787,566	$714,000	$635,277	$625,264	$733,338	$1,548,000	$1,548,000	$1,250,633	$1,290,841

Scanned from the United Artists collection at the Wisconsin Center for Film and Theater Research.

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